

In the opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel, under existing law, assuming continued compliance with certain provisions of the Internal Revenue Code of 1986, as amended, interest on the Bonds will not be included in the gross income of Bondowners for federal income tax purposes. Interest on the Bonds will not constitute a preference item for purposes of computation of the alternative minimum tax imposed on certain individuals. In the opinion of Bond Counsel, interest on the Bonds and any profit made on the sale thereof are exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. See "TAX EXEMPTION" herein.

**\$384,765,000****MASSACHUSETTS BAY TRANSPORTATION AUTHORITY****Subordinated Sales Tax Bonds****2020 Series B****\$339,080,000 Subseries B-1 and \$45,685,000 Subseries B-2 (Sustainability Bonds)****Dated: Date of Delivery****Due: July 1, as shown on the inside Cover**

This Official Statement relates to the issuance by the Massachusetts Bay Transportation Authority (the "Authority") of its Subordinated Sales Tax Bonds, 2020 Series B, Subseries B-1 and Subseries B-2 (Sustainability Bonds) in the aggregate stated principal amount of \$384,765,000 (the "Bonds"). The Bonds will be issued by means of a book-entry only system evidencing ownership and transfer of the Bonds on the records of The Depository Trust Company, New York, New York ("DTC") and its participants. Details of payment of the Bonds are more fully described in this Official Statement.

The Bonds will bear interest from the date of initial delivery thereof and interest will be payable semiannually on each January 1 and July 1, commencing January 1, 2021, calculated on the basis of a 360-day year of twelve 30-day months. Purchases of the Bonds will be made in book-entry only form in denominations as set forth herein. Principal of and interest on the Bonds are payable as more fully described herein. The Bonds are subject to redemption prior to maturity as more fully described herein.

The Bonds will constitute special obligations of the Authority payable solely from and secured by a pledge of Pledged Revenues and funds and accounts established under the Sales Tax Bond Trust Agreement, dated as of July 1, 2000, between the Authority and U.S. Bank National Association, Boston, Massachusetts, as successor trustee (the "Trustee"), as amended and as supplemented by the Fortieth Supplemental Trust Agreement authorizing the issuance of the Bonds, dated as of May 1, 2020, between the Authority and the Trustee. The Authority has no taxing power. Neither The Commonwealth of Massachusetts (the "Commonwealth") nor any political subdivision thereof shall be obligated to pay the Bonds and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof (other than the Authority) is pledged to such payment, except as described herein.

The Bonds are offered when, as and if issued and received by the Underwriters, subject to the unqualified approval of legality by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by Nutter, McClennen & Fish, LLP, Boston, Massachusetts. Public Resources Advisory Group, New York, New York, is acting as financial advisor to the Authority in connection with the issuance of the Bonds. The Bonds are expected to be available for delivery through DTC in New York, New York, or its custodial agent, on or about June 11, 2020.

BofA Securities**Jefferies****UBS****Academy Securities****BarClays****Goldman Sachs & Co. LLC****Ramirez & Co., Inc****Stifel****TD Securities****Wells Fargo Securities**

\$384,765,000
Massachusetts Bay Transportation Authority
Subordinated Sales Tax Bonds
2020 Series B

Dated: Date of Delivery

Due: July 1, as shown below

\$339,080,000 Subseries B-1

<u>Maturity</u> <u>(July 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
2021	\$ 3,130,000	5.000%	0.200%	575579F77
2022	4,625,000	5.000	0.270	575579F85
2023	4,865,000	5.000	0.330	575579F93
2024	14,385,000	5.000	0.400	575579G27
2025	14,360,000	5.000	0.500	575579G35
2026	14,955,000	5.000	0.680	575579G43
2027	13,400,000	5.000	0.810	575579G50
2028	12,380,000	5.000	0.930	575579G68
2029	12,845,000	5.000	0.980	575579G76
2030	17,175,000	5.000	1.090	575579G84
2031	6,415,000	5.000	1.220 [†]	575579G92
2032	6,730,000	5.000	1.320 [†]	575579H26
2033	16,195,000	5.000	1.420 [†]	575579H34
2034	22,255,000	5.000	1.460 [†]	575579H42
2035	11,120,000	5.000	1.530 [†]	575579H59
2036	7,610,000	5.000	1.570 [‡]	575579H67
2037	7,995,000	5.000	1.620 [‡]	575579H75
2038	8,390,000	5.000	1.660 [‡]	575579H83
2039	8,815,000	5.000	1.700 [‡]	575579H91
2040	9,250,000	5.000	1.740 [‡]	575579J24
2041	9,715,000	5.000	1.780 [‡]	575579J32

\$43,965,000 5.000% Term Bonds maturing July 1, 2045 to yield 1.880%[‡] CUSIP* 575579J40

\$68,505,000 5.000% Term Bonds maturing July 1, 2050 to yield 1.950%[‡] CUSIP* 575579J57

\$45,685,000 Subseries B-2
(Sustainability Bonds)

<u>Maturity</u> <u>(July 1)</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP*</u>
2022	\$45,685,000	5.000%	0.270%	575579J65

* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers are being provided solely for the convenience of Bondowners and the Authority is not responsible for the selection or correctness of the CUSIP numbers printed herein and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number assigned to a specific security is subject to change after the issuance of such security based on a number of factors including, but not limited to, a refunding or defeasance in whole or in part of such security or the use of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of such security.

[†] Priced to the first optional redemption date of such maturities, July 1, 2030.

[‡] Priced to the first optional redemption date of such maturities, July 1, 2028.

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY

FISCAL AND MANAGEMENT CONTROL BOARD

JOSEPH AIELLO, CHAIR
MONICA TIBBITS-NUTT, VICE CHAIR
CHRYSTAL KORNEGAY
BRIAN LANG
BRIAN SHORTSLEEVE

MassDOT BOARD OF DIRECTORS

STEPHANIE POLLACK, SECRETARY OF TRANSPORTATION, CHAIR
ELIZABETH "BETSY" TAYLOR, VICE CHAIR
TIMOTHY KING
CHRYSTAL KORNEGAY
DEAN MAZZARELLA
ROBERT MOYLAN, JR.
KATHLEEN M. MURTAGH, P.E.
VANESSA OTERO
BRIAN SHORTSLEEVE
JOSEPH SULLIVAN
MONICA TIBBITS-NUTT

SENIOR FINANCIAL MANAGEMENT

STEVE POFTAK
GENERAL MANAGER

DAVID PANAGORE
CHIEF ADMINISTRATIVE OFFICER

MARY ANN O'HARA
CHIEF FINANCIAL OFFICER

PATRICK F. LANDERS, III
TREASURER

The information set forth herein has been obtained from the Authority and other sources which are believed to be reliable, but, as to information from other than the Authority, it is not to be construed as a representation by the Authority or the Underwriters. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof, except as expressly set forth herein. The various tables may not add due to rounding of figures.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds offered hereby by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

All quotations from and summaries and explanations of provisions of laws, resolutions, the Bonds and other documents herein do not purport to be complete; reference is made to said laws, resolutions, the Bonds and other documents for full and complete statements of their provisions. Copies of the above are available for inspection at the offices of the Authority and the Trustee.

Information included in this Official Statement includes forward-looking statements about the future that are necessarily subject to various risks and uncertainties ("Forward-Looking Statements"). These Forward-Looking Statements are (i) based on the beliefs and assumptions of management of the Authority and on information currently available to such management and (ii) generally identifiable by words such as "estimates," "expects," "anticipates," "plans," "believes" and other similar expressions. Events that could cause future results to differ materially from those expressed in or implied by Forward-Looking Statements or historical experience include the impact or outcome of many factors that are described throughout this Official Statement. Although the ultimate impact of such factors is uncertain, they may cause future performance to differ materially from results or outcomes that are currently sought or expected by the Authority.

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**OFFICIAL STATEMENT
OF THE
MASSACHUSETTS BAY TRANSPORTATION AUTHORITY
PERTAINING TO ITS**

**\$384,765,000
Subordinated Sales Tax Bonds
2020 Series B**

\$339,080,000 Subseries B-1 and \$45,685,000 Subseries B-2 (Sustainability Bonds)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish information in connection with the issuance by the Massachusetts Bay Transportation Authority (the “Authority” or “MBTA”) of its \$384,765,000 Subordinated Sales Tax Bonds, 2020 Series B, consisting of \$339,080,000* Subseries B-1 and \$45,685,000 Subseries B-2 (Sustainability Bonds) (collectively, the “Bonds”). Unless otherwise defined herein, certain capitalized terms used herein shall have the meanings set forth in APPENDIX A – “Summary of Certain Provisions of the Sales Tax Bond Trust Agreement – Definitions” or, in the case of capitalized terms related to the Assessment Bond Trust Agreement (hereinafter defined), the meanings set forth in APPENDIX B – “Summary of Certain Provisions of the Assessment Bond Trust Agreement.”

The Bonds are authorized to be issued pursuant to the Enabling Act (hereinafter defined), and are to be issued under the Sales Tax Bond Trust Agreement, dated as of July 1, 2000, between the Authority and U.S. Bank National Association, Boston, Massachusetts, as successor trustee (the “Trustee”), as amended (the “Trust Agreement”) and as supplemented by the Fortieth Supplemental Trust Agreement authorizing the issuance of the Bonds (together with the Trust Agreement, the “Sales Tax Bond Trust Agreement”), dated as of May 1, 2020, between the Authority and the Trustee.

The Bonds are being issued for the purpose of (i) paying costs of the Authority in accordance with the Enabling Act, including funding a portion of the Authority’s capital program, including refunding certain outstanding commercial paper bond anticipation notes of the Authority, (ii) current refunding the Authority’s outstanding Senior Sales Tax Bonds, 2010 Series B (the “2010 Series B Bonds”), (iii) current refunding the Authority’s outstanding Senior Sales Tax Bonds, Variable Rate Demand Obligations, 2010 Series A (the “2010 Series A Bonds” and together with the 2010 Series B Bonds, the “Refunded Bonds”), and (iv) paying the costs of issuing the Bonds. The projects refinanced with the Subseries B-2 Bonds consist of projects that meet the Authority’s criteria for designation as sustainability projects. See “APPLICATION OF FUNDS.”

As used herein, the term “Subordinated Sales Tax Bonds” means the Bonds and all other Subordinated Sales Tax Bonds outstanding or hereafter issued under the Trust Agreement and payable from amounts on deposit in the Subordinated Debt Service Fund. Sales Tax Bonds outstanding and hereafter issued payable from the Senior Debt Service Fund prior to the Subordinated Sales Tax Bonds are referred to herein as “Senior Sales Tax Bonds.” The Trust Agreement provides for the issuance of additional Senior Sales Tax Bonds and Subordinated Sales Tax Bonds (collectively, the “Sales Tax Bonds”), and the Authority expects to issue additional Sales Tax Bonds in the future. See “THE AUTHORITY – Capital Investment Program.”

The Bonds constitute special obligations of the Authority, secured as to the payment of principal of and redemption premium, if any, and interest thereon by a pledge of certain revenues and other moneys received or derived under the Enabling Act for the purposes and on the terms and conditions provided therein, including without limitation, the greater of the base revenue amount or the dedicated sales tax revenue amount, both as defined in the Enabling Act (“Dedicated Sales Tax”). See “SECURITY FOR THE SALES TAX BONDS,” “DEDICATED SALES TAX” and APPENDIX A – “Summary of Certain Provisions of the Sales Tax Bond Trust Agreement.”

The COVID-19 global pandemic has severely impacted the operations and certain revenues of the Authority. See “THE AUTHORITY- Operations” and “CERTAIN INVESTMENT CONSIDERATIONS – Potential Impact of COVID-19” herein. However, the Bonds are secured by and paid from the Pledged Revenues described herein, including the Dedicated Sales Tax and Assessments, which are subject to a statutory lien and non-impairment covenants, as described herein.

The Authority has no taxing power. Neither The Commonwealth of Massachusetts (the “Commonwealth”) nor any political subdivision thereof (other than the Authority) shall be obligated to pay the Bonds and neither the faith and credit nor the taxing power of the Commonwealth or any such political subdivision thereof is pledged to such payment, except as described herein.

Background

The Authority was created in 1964 pursuant to Chapter 161A of Massachusetts General Laws (“Chapter 161A” and, together with Section 35T, the “Enabling Act”) as a body politic and corporate and a political subdivision of the Commonwealth to finance and operate mass transportation facilities within (and to a certain extent, outside) its territory. The territorial area of the Authority consists of 176 cities and towns.

Under the Enabling Act, the Authority receives a dedicated revenue stream consisting of the Assessments and the Dedicated Sales Tax (collectively, the “Dedicated Revenues”). The Dedicated Sales Tax is equal to the greater of the base revenue amount (as defined in the Enabling Act) and the amount raised by a 1% statewide sales tax to be funded from existing sales tax receipts, subject to adjustment under certain circumstances set forth in the Enabling Act, plus \$160,000,000 annually. See “DEDICATED SALES TAX.”

The cities and towns within the Authority’s territory are required to pay Assessments as described under “ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS.”

Under the Enabling Act, the Dedicated Revenues are impressed with a trust for the benefit of Authority bondholders. Furthermore, the Commonwealth covenants that while any Authority bonds or notes secured by the Dedicated Revenues are outstanding and remain unpaid, the Dedicated Revenues shall not be diverted, and, so long as the Dedicated Revenues are necessary for the purpose for which they have been pledged, the rate of the sales tax shall not be reduced below the amount of the Dedicated Sales Tax and annual aggregate Assessments shall not be reduced below \$136,026,868 (the “Assessment Floor Amount”). See “DEDICATED SALES TAX” and “ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS.”

The Dedicated Revenues are credited upon receipt, without appropriation, to the Commonwealth’s State and Local Contribution Fund (the “Fund” or the “State and Local Contribution Fund”). Such amounts shall be disbursed to the Authority upon the request of the General Manager so long as the Authority shall certify that it has provided in its budget each year for the payment of the Prior Obligations (hereinafter defined; see “THE AUTHORITY – Indebtedness”) due during such year. The

Authority certified that it has provided in its annual budget for the payment of Prior Obligations during Fiscal Year 2020. See “SECURITY FOR THE SALES TAX BONDS – Provision for the Payment of Prior Obligations.”

Assessments are credited to the Fund on or before the last day of each month and deposited on the day so credited. The Dedicated Sales Tax generally is deposited not later than the last business day of each month on account of the prior month.

Under the Enabling Act, the Authority is required to meet all of its operating and capital expenditures from Dedicated Revenues, federal and state assistance and revenues generated from operation of the Authority’s system, including without limitation fare revenues and non-fare revenues (e.g., parking and advertising revenues). Under the Enabling Act, the pledge and receipt of Dedicated Revenues is not contingent upon the Authority’s provision of transportation services. Subject to the limitations with respect to the Assessments described under “ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS” and with respect to the Dedicated Sales Tax described under “DEDICATED SALES TAX,” the Authority’s failure to provide transportation services at current levels would not affect the Commonwealth’s or the assessed cities’ and towns’ obligation or ability to provide the Dedicated Revenues. See “ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS – Legal Obligations of Assessed Cities and Towns” and “DEDICATED SALES TAX.”

Authority indebtedness may be a general obligation of the Authority or may be secured by a pledge or conveyance of all or a portion of revenues, receipts or other assets or funds of the Authority, including without limitation, the Assessments and Dedicated Sales Tax. Pursuant to the Sales Tax Bond Trust Agreement, the Bonds are secured by a pledge of the Dedicated Sales Tax and, after meeting the obligations under an Assessment Bond Trust Agreement, dated as of July 1, 2000, as amended and supplemented (the “Assessment Bond Trust Agreement”), by and between the Authority and U.S. Bank National Association, as successor trustee, the Assessments, along with other Authority revenues as described under “SECURITY FOR THE SALES TAX BONDS – Pledge Under the Sales Tax Bond Trust Agreement.” The Bonds are secured by a lien on Dedicated Sales Tax and other Pledged Revenues (hereinafter defined), after payment of Senior Sales Tax Bonds but prior to the payment of operating expenses. See “SECURITY FOR THE SALES TAX BONDS – Pledge Under the Sales Tax Bond Trust Agreement.” See also “SECURITY FOR THE SALES TAX BONDS – Additional Indebtedness” for information regarding debt service coverage on the Bonds.

Official Statement

There follows in this Official Statement a description of the Authority, together with summaries of the terms of the Bonds and certain provisions of the Enabling Act, the Sales Tax Bond Trust Agreement and the Assessment Bond Trust Agreement. All references herein to the Enabling Act, the Sales Tax Bond Trust Agreement and the Assessment Bond Trust Agreement are qualified in their entirety by reference to such law and documents, copies of which are available from the Authority or the Trustee, and all references to the Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto contained in the Sales Tax Bond Trust Agreement.

Appendix A is a summary of certain provisions of the Sales Tax Bond Trust Agreement. Appendix B is a summary of certain provisions of the Assessment Bond Trust Agreement. Appendix C sets forth the proposed form of opinion of Bond Counsel. Appendix D describes the proposed Continuing Disclosure Undertaking to be executed by the Authority and U.S. Bank National Association, as dissemination agent. Appendix E sets forth certain information regarding Assessments and Local Aid.

This Official Statement does not contain the audited financial statements of the Authority or general financial and operating information about the Authority because the Bonds are secured by a lien

on the Dedicated Sales Tax and other Pledged Revenues under the Sales Tax Bond Trust Agreement and, as described herein, amounts available under the Assessment Bond Trust Agreement, prior to such amounts being available for the payment of operating expenses, and the Bonds do not constitute a general obligation of the Authority, and the Dedicated Sales Tax is not derived from or otherwise related to the Authority's operations. See "THE AUTHORITY – Operations." For further information about the Authority, reference is made to the Authority's most recent annual report filed pursuant to the Authority's continuing disclosure undertaking for certain Prior Obligations, which report includes audited financial statements, among other information.

THE AUTHORITY

The Authority was created in 1964 and is a body politic and corporate and a political subdivision of the Commonwealth. Under the Enabling Act, the territorial area of the Authority consists generally of 176 cities and towns directly or indirectly receiving Authority service with a population of approximately 4.8 million. The 176 cities and towns are grouped into three categories, based upon the weighting of each member's allocable percentage of Assessments: (i) the 14 cities and towns; (ii) the 51 cities and towns; and (iii) the other served communities. See APPENDIX E – "Information Regarding Assessments and Local Aid" for a list of such cities and towns grouped by such categories. The Authority finances and operates mass transportation facilities within its territory and to a limited extent outside its territory and is authorized to enter into agreements for providing mass transportation service by private companies, including railroads.

The Enabling Act does not provide for the Authority to be a debtor under the federal bankruptcy code.

Fiscal and Management Control Board and MassDOT Board

The Authority is governed and its corporate powers exercised by the board of directors (the "MassDOT Board") of the Massachusetts Department of Transportation ("MassDOT").

In response to widespread system failures experienced by the MBTA during the unusually severe 2015 winter weather in Massachusetts, the Governor appointed a special panel to review the management and financial condition of the MBTA, which resulted in the establishment of a Fiscal and Management Control Board (the "FMCB") until at least June 30, 2018, but not later than June 30, 2020. The term of the FMCB was extended to June 30, 2020. The legislation establishing the FMCB (the "FMCB Act") provides that following the dissolution of the FMCB, the MassDOT Board will resume sole governance of the Authority.

The Governor of Massachusetts has included in the proposed budget for the fiscal year beginning July 1, 2020, provision to reconstitute an independent MBTA board, separate from the MassDOT Board, as of July 1, 2020, consisting of six members appointed by the Governor and one member appointed by the MBTA advisory board.

The FMCB is within MassDOT and reports to the Secretary of Transportation (the "Secretary"). The FMCB is afforded all powers, responsibilities and obligations relative to the MBTA that are vested in the MassDOT Board, with certain limited exceptions.

The FMCB consists of five members appointed by the Governor. Three members shall be members of the MassDOT Board, one shall have experience in transportation finance and one shall have experience in mass transit operation. The FMCB will continue until June 30, 2020.

The members of the FMCB are:

<u>Member</u>	<u>Representing</u>
Joseph Aiello, Chair	Experience in transportation finance
Monica Tibbits-Nutt, Vice Chair	MassDOT Board Member
Chrystal Kornegay	MassDOT Board Member
Brian Lang	Experience in mass transit operation
Brian Shortsleeve	MassDOT Board Member

The FMCB Act requires that the FMCB report, not later than December 15 of each year of its existence, on the MBTA's own-source revenue, operating budget, capital plan and progress toward meeting performance metrics and targets, including progress in: (i) maintaining a priority list of immediate capital needs and procurement and implementation plans; (ii) imposing a barrier between the commingling of operating and capital budgets; (iii) increasing own-source revenue; (iv) conducting thorough reviews and analyses of all proposals for system expansion, taking into account operating and capital costs, benefits to current and new riders and economic development impacts; (v) centralizing Authority procurement and contracting, implementing best procurement and contracting practices and sharing or consolidating Authority procurement and contracting with that of MassDOT consistent with the FMCB Act; (vi) planning and preparedness processes and adopting an incident command system; (vii) reorganizing internal structure along modal business lines; (viii) maintaining one-year and five-year operating plans and budgets; (ix) maintaining a 20-year capital plan for the restoration of physical assets; (x) improving customer relations and instituting a customer-oriented performance management program; (xi) identifying and implementing best practices supporting workforce productivity and engagement; (xii) reducing employee absenteeism; (xiii) reducing barriers to public-private partnerships; and (xiv) utilizing the lease and sale of real estate assets to support the long-term health of the system and implementing value capture strategies. In December 2019, the FMCB delivered its fifth Annual Report to the Massachusetts General Court and outlined its strategic plan to enhance performance by investing in the system.

The FMCB appears before and provide updates to the MassDOT Board not less than once per month.

The MassDOT Board consists of 11 members. The Secretary shall serve *ex-officio* as Chair and the ten other members are appointed by the Governor, one of whom shall be a rider, as defined in the Enabling Act; one of whom shall have experience in the field of public or private finance; one of whom shall have experience in transportation planning and policy; one of whom shall have experience in civil engineering; one of whom shall have experience in the field of public or private finance or transportation planning and policy; one of whom shall have municipal government experience in one of the fourteen cities and towns, as defined in the Enabling Act; one of whom shall have municipal government experience in one of the fifty-one cities and towns, as defined in the Enabling Act; one of whom shall have municipal government experience in one of the other served communities, as defined in the Enabling Act; one of whom shall have municipal government experience in a city or town not part of the area constituting the authority, as defined in the Enabling Act; and one of whom shall be a representative of a labor organization selected from a list of three nominees provided by the Massachusetts State Labor Council, AFL-CIO. Four of the members, other than the Chair, shall serve for terms that are coterminous with the Governor; provided, however, that at least three of the coterminous members shall have experience in transportation policy, public finance or civil engineering and at least one of the coterminous members shall be a rider. The six remaining members appointed by the Governor shall serve for terms of four years. No more than six of the eleven directors, except the *ex-officio* director, shall be members of the same political party.

The members of the MassDOT Board are:

<u>Director</u>	<u>Professional Affiliation</u>	<u>Term Expires</u>
Stephanie Pollack, Chair	Secretary of Transportation	<i>Ex Officio</i>
Elizabeth “Betsy” Taylor, Vice Chair	Former Director of Finance and Treasury, Massachusetts Port Authority	Coterminous with Governor
Timothy King	Detective Sargent, Waltham Police Department	July 1, 2021
Chrystal Kornegay	Executive Director of Massachusetts Housing Finance Agency	July 1, 2022
Dean Mazzearella	Mayor of Leominster	July 1, 2021
Robert Moylan, Jr.	Former Commissioner, Department of Public Works and Parks, City of Worcester	Coterminous with Governor
Kathleen M. Murtagh, P.E.	Director of Tunnel Redundancy, Massachusetts Water Resources Authority	Coterminous with Governor
Vanessa Otero	Chief Operating Officer, Partners for Community	Coterminous with Governor
Brian Shortsleeve	Former Chief Administrator, MBTA	July 1, 2020
Joseph Sullivan	Former Mayor of Braintree	July 1, 2021
Monica Tibbits-Nutt	Executive Director, 128 Business Council	July 1, 2020

Administration

The Authority’s principal officers include as follows:

<u>Name</u>	<u>Title</u>
Steve Poflak	General Manager
David Panagore	Chief Administrative Officer
Mary Ann O’Hara	Chief Financial Officer
Marie Breen	General Counsel

General

The MBTA is the oldest and fifth largest transit system in the country, operating subway, trackless trolley, trolley, bus and commuter rail service throughout eastern Massachusetts. The Authority is responsible for an estimated 1.3 million passenger trips on average per business day, providing approximately 55% of all work trips to Boston, and operates over 38 miles of “heavy” rail routes. Service is also provided by streetcars and light rail vehicles on 26 miles of additional rail routes. The Authority owns more than 1,000 buses that cover routes totaling 1,127 miles. The MBTA’s commuter rail service operates over 512 units of passenger rail equipment providing service between Boston and 134 outlying rail stations. In addition, the MBTA provides a broad range of other passenger services, including commuter boats, “The Ride” paratransit service, and express buses.

As of May 1, 2020, the Authority employed 5,856 full-time and approximately 527 part-time employees.

Operations

Under the Enabling Act, the Authority is required to meet all of its expenditures, both operating and capital, from a combination of Dedicated Revenues, federal and state assistance and own-source revenues generated from operation of the Authority's transportation system. For information regarding capital expenditures and federal assistance therefor, see "THE AUTHORITY – Capital Investment Program."

The Authority's Fiscal Year 2020 adopted budget includes operating expenses (excluding debt service) of \$1,629.9 million and debt service of \$490.9 million.

Dedicated Revenues for Fiscal Year 2020 are estimated to be approximately \$1.262 billion, including approximately \$1.088 billion of Dedicated Sales Tax and approximately \$174 million of Assessments. The Dedicated Sales Tax figure is the estimated dedicated sales tax revenue amount for such Fiscal Year. As described under "CERTAIN INVESTMENT CONSIDERATIONS – Potential Impact of COVID-19," the Authority is managing its Fiscal Year 2020 budget to assume that the Authority only will receive the Base Revenue Amount of approximately \$1.063 billion for Fiscal Year 2020. As described herein, the Base Revenue Amount is certified as of March 1 of each year and does not change regardless of actual sales tax collections. See "DEDICATED SALES TAX" and "ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS."

The Authority generates significant revenues from operation of its transportation system, including both fare revenues and non-fare revenues such as those derived from parking and advertising. The Authority also generates other non-operating revenues, such as investment earnings. The aggregate of all fare revenues, non-fare revenues and other non-operating revenues was budgeted for Fiscal Year 2020 to be \$1,274.8 million, but the MBTA is now planning for a \$217.1 million reduction, given the steep declines resulting from COVID-19. See "CERTAIN INVESTMENT CONSIDERATIONS – Potential Impact of COVID-19."

The Authority's Fiscal Year 2020 operating budget, prior to the impact of COVID-19, relied on additional state assistance of \$127 million to meet operating expenses. The revised budget also will rely on amounts received under the federal CARES Act. See "CERTAIN INVESTMENT CONSIDERATIONS – Potential Impact of COVID-19."

The Bonds and other Sales Tax Bonds are secured by a lien on Dedicated Sales Tax and other Pledged Revenues, prior to the payment of operating expenses. See "SECURITY FOR THE SALES TAX BONDS – Additional Indebtedness" for information regarding debt service coverage on the Bonds.

Under the Enabling Act, the pledge and receipt of Dedicated Revenues is not contingent upon the Authority's provision of transportation services. Under the Enabling Act, the obligation of cities and towns in the Authority's territory to pay Assessments is not contingent upon the Authority's provision of specified transportation services to those cities and towns, though the Massachusetts Supreme Judicial Court has held that the method by which Authority costs are assessed on particular communities must be reasonable and not arbitrary. For more information regarding the obligation of cities and towns to pay Assessments, see "ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS – Legal Obligations of Assessed Cities and Towns."

Indebtedness

Prior Obligations. Prior to July 1, 2000, in order to fund a portion of its capital program, the Authority periodically issued bonds under the General Bond Resolution of the Authority adopted February 15, 1967, as amended (the "General Transportation Bond Resolution"), and had issued notes

and entered into certain leases and other obligations. Such bonds, notes, leases and other obligations outstanding as of July 1, 2000 are collectively referred to herein as the “Prior Obligations.”

The Prior Obligations were a general obligation of the Authority. However, if the Authority lacked funds to pay such indebtedness, the Commonwealth was obligated to pay such amount, to which obligation the Commonwealth’s full faith and credit was pledged (the “Commonwealth Guaranty”). In addition, the Commonwealth entered into a contract for financial assistance with the Authority pursuant to which the Commonwealth agreed to pay a portion of the debt service on the Prior Obligations (“Section 28 Assistance”). Furthermore, the Commonwealth paid to the Authority the total amount of expenses in excess of revenues (“Net Cost of Service”).

Prior to July 1, 2000, the Prior Obligations were payable from Section 28 Assistance and the Authority’s reimbursement from the Commonwealth for Net Cost of Service or by a combination of the foregoing. Commencing July 1, 2000, the Authority no longer received Net Cost of Service, which had been unlimited, or Section 28 Assistance, and is no longer authorized to issue indebtedness supported by the Commonwealth Guaranty.

While the Authority no longer may incur indebtedness supported by the Commonwealth Guaranty, to the extent that the Dedicated Revenues are insufficient in any year to provide for the payment of the Prior Obligations in such year, the Commonwealth shall remain liable to pay such Prior Obligations to the same extent as under the Enabling Act in effect prior to July 1, 2000. The Enabling Act provides, however, that any such payment by the Commonwealth shall be repayable within five years by the Authority, without interest, from Dedicated Revenues.

The Enabling Act further provides that in order to draw upon Dedicated Revenues credited to the State and Local Contribution Fund, including Dedicated Sales Tax, for any Fiscal Year, the Authority shall have certified that it has provided in its annual budget for each year for the payment of Prior Obligations during such year and the Authority has so certified with respect to its current annual budget. See “SECURITY FOR THE SALES TAX BONDS – Pledge Under the Sales Tax Bond Trust Agreement” and “ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS.”

The payment of Prior Obligations each year is provided for under the Sales Tax Bond Trust Agreement to be paid from the Dedicated Sales Tax. Under the Enabling Act, the Dedicated Sales Tax may not be less than the base revenue amount (as defined in the Enabling Act). The Dedicated Sales Tax is \$1,114 million for Fiscal Year 2020 and is subject to adjustment in future years in accordance with the Enabling Act. See “DEDICATED SALES TAX.”

Outstanding Prior Obligations include without limitation the Authority’s General Transportation System Bonds and certain leases.

As of May 1, 2020, the Authority had outstanding \$141.6 million aggregate principal amount of General Transportation System Bonds issued under its General Transportation Bond Resolution. The General Transportation System Bonds include \$129.6 million principal amount bearing interest at variable rates. Because under the Enabling Act the Authority is no longer authorized to issue bonds supported by the Commonwealth Guaranty or Section 28 Assistance, the Authority does not expect to issue any additional General Transportation System Bonds.

The Authority is a party to several fully defeased leases under which there are no regularly scheduled payments by the Authority. In addition to its regularly scheduled lease payments, the Authority, under certain circumstances, may be required to pay additional amounts to the lessor. All payments under such leases are subordinate to the payment of debt service on the Bonds.

In the event the Authority draws upon any of its liquidity facilities for its variable rate indebtedness, the Authority would be required to repay the liquidity provider the principal amount of such draw with interest at a variable rate substantially in excess of the rates assumed in the table of Prior Obligation Debt Service Requirements below.

The following table sets forth the total annual regularly scheduled debt service requirements on outstanding Prior Obligations for each Fiscal Year as of May 1, 2020:

Prior Obligations Debt Service Requirements⁽¹⁾

<u>Year</u>	<u>Principal</u>	<u>Interest⁽¹⁾</u>	<u>Total</u>	<u>Year</u>	<u>Principal</u>	<u>Interest⁽¹⁾</u>	<u>Total</u>
2021	\$20,420,000	\$4,696,000	\$25,116,000	2026	\$13,160,000	\$2,270,250	\$15,430,250
2022	10,955,000	3,657,825	14,612,825	2027	14,080,000	1,875,450	15,955,450
2023	10,740,000	3,306,300	14,046,300	2028	15,065,000	1,453,050	16,518,050
2024	11,495,000	2,984,100	14,479,100	2029	16,120,000	1,001,100	17,121,100
2025	12,300,000	2,639,250	14,939,250	2030	17,250,000	517,500	17,767,500

Source: The MBTA

⁽¹⁾ Assumes a 3% interest rate per annum for the General Transportation System Bonds, Variable Rate Demand Obligations, 2000 Series A-1 and A-2 ("2000 Bonds") outstanding in the aggregate principal amount of \$129,635,000, which bear interest at a variable rate reset weekly.

Hedge Agreements. The Authority has in place two swaps with JPMorgan Chase & Co. One swap, in the current notional amount of \$28,920,000, was originally executed to hedge a portion of the Authority's Senior Sales Tax Bonds, 2003 Series B-1 and 2003 Series B-2 (collectively, the "2003 Series B Bonds"). The other swap, in the current notional amount of \$79,645,000, was executed to hedge the Authority's Senior Sales Tax Bonds, Variable Rate Demand Obligations, 2010 Series A, which are being refunded with the proceeds of the Bonds. Pursuant to each swap agreement, the Authority receives a variable rate equal to the Securities Industry and Financial Markets Association Municipal Swap Index (the "SIFMA Index") in exchange for fixed rate payments. On February 8, 2017, the Authority amended each swap agreement to reduce the fixed rate to 2.00% (from 5.20% and 5.61%, respectively). While the Sales Tax Bonds originally hedged with the swaps are, or will be, no longer outstanding, the swap agreements remain in effecting until March 1, 2021 and July 1, 2030, respectively, and will hedge other outstanding indebtedness of the Authority. The swap agreements constitute Qualified Hedge Agreements under the Sales Tax Bond Trust Agreement. Therefore, regularly scheduled payments under such swap agreements are made under the Sales Tax Bond Trust Agreement from the Senior Debt Service Fund, and payments received by the Authority are deposited in the Senior Debt Service Fund. Termination payments are payable from the General Fund under the Sales Tax Bond Trust Agreement. Any payments made by the Authority in the event the counterparty is in default are general unsecured obligations of the Authority. See "SECURITY FOR THE SALES TAX BONDS" and APPENDIX A – "Summary of Certain Provisions of the Sales Tax Bond Trust Agreement – Hedging Transactions."

In February 2004, the Authority entered into a swap with Morgan Stanley Capital Services, Inc. in the current notional amount of \$25,005,000, which is equal to the par amount of the portion of the Authority's Senior Sales Tax Bonds, 2003 Series C, maturing July 1, 2020 (the "CPI Bonds") and bearing interest at a variable rate based on the Consumer Price Index ("CPI"). This swap provides that the Authority will pay a fixed rate of 4.13% and receive a floating rate based on the CPI plus 79 basis points. The purpose of this swap transaction is to hedge the Authority's exposure to changes in the CPI, which determines the floating rate at which the CPI Bonds bear interest. This swap agreement for the CPI Bonds is not a Qualified Hedge Agreement under the Sales Tax Bond Trust Agreement, so regularly scheduled payments under such swap agreement are made under the Sales Tax Bond Trust Agreement from the

General Fund under the Sales Tax Bond Trust Agreement, and payments received by the Authority are deposited in the Pledged Revenue Fund. Termination payments and payments made by the Authority while the counterparty is in default are general unsecured obligations of the Authority.

Assessment Bonds. The Authority has three outstanding series of Assessment Bonds, which, as of May 1, 2020 were outstanding in the aggregate principal amount of \$619.2 million. Under the Assessment Bond Trust Agreement, the Authority pledges to the payment of obligations thereunder pledged revenues, including Assessments. The outstanding Assessment Bonds amortize through July 1, 2041. See “ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS.”

Sales Tax Bonds. As of May 1, 2020, \$3,772.1 million in aggregate principal amount of Sales Tax Bonds were outstanding, of which \$3,492.0 million constitute Senior Sales Tax Bonds and \$280.1 million constitute Subordinated Sales Tax Bonds. The Senior Sales Tax Bonds include the Refunded Bonds. The Subordinated Sales Tax Bonds include \$50 million issued on April 24, 2020 to secure a line of credit that terminates on October 23, 2020.

The Authority has \$271,095,000 Subordinated Sales Tax Bond Anticipation Notes, Series 2017 (the “Subordinated 2017 Notes”) outstanding as of May 1, 2020 and maturing December 1, 2021. The Subordinated 2017 Notes were issued on October 12, 2017 to pay costs of the Authority in accordance with the Enabling Act, including a portion of the costs of the positive train control project (the “PTC Project”) for the commuter rail and to pay the costs of issuing the Subordinated 2017 Notes. On December 8, 2017, the Authority entered into two loans with the United States Department of Transportation (“USDOT”) in an aggregate amount not to exceed \$282 million. The Authority expects, during 2020, to refinance the loans with USDOT and to increase the amount of such loans to fund, in addition to the PTC Project, other components of the Authority’s commuter rail safety and resiliency project, the new loans, including the refinancing, anticipated to be in the approximate amount of \$850 million.

In addition, the Authority maintains a commercial paper program under the Sales Tax Bond Trust Agreement in the aggregate principal amount not to exceed \$250 million. Such commercial paper notes are secured by the Sales Tax Bond Trust Agreement and repaid by the proceeds of other notes, Senior Sales Tax Bonds or the Dedicated Sales Tax. As of May 1, 2020, \$175 million in aggregate principal amount of such notes was outstanding, a portion of which are expected to be repaid with a portion of the proceeds of the Bonds.

Metropolitan Boston Transit Parking Corporation Bonds. In 2011, the Authority established the Metropolitan Boston Transit Parking Corporation (the “MBTPC”) solely for the purpose of issuing bonds on behalf of the Authority secured by the gross revenues generated by the Authority’s parking facilities. MBTPC is a Massachusetts nonprofit corporation and agency and instrumentality of the Authority. The Authority is the sole member of the MBTPC. The MBTPC’s Board of Directors consists of three *ex officio* management employees of the Authority. The MBTPC has issued one series of parking revenue bonds, which, as of May 1, 2020 were outstanding in the aggregate principal amount of \$304.6 million.

Due to reductions in utilization of the parking at facilities of the Authority as a result of the COVID-19 pandemic, the Authority intends to provide to MBTPC the amount necessary to meet the debt service payments on the parking revenue bonds on July 1, 2020 and January 1, 2021, to the extent parking revenues and other available funds of MBTPC are insufficient to make such payments. The MBTA expects to refinance the parking revenue bonds prior to the first optional redemption date for such bonds, July 1, 2021, through the issuance of Authority bonds, subject to market conditions at the time of issuance of the refunding bonds and other factors.

Equipment Leases. The Authority has from time to time entered into numerous equipment financing leases with terms not greater than five years. Annual payments under such leases are payable as operating expenses.

Limitation on Debt Under the Enabling Act. As provided in the Transportation Reform Act, the Authority no longer is subject to a statutory dollar limit on the amount of debt outstanding.

Capital Investment Program

The business of the Authority is capital intensive. In 1964, the Authority assumed control of the properties of its predecessor, the Metropolitan Transit Authority and since that time, the Authority has consistently engaged in a major program of capital improvements to modernize its equipment, improve its physical plant, and relocate and extend its rapid transit and commuter rail lines. The program is funded primarily through a combination of bonds issued by the Authority under the Assessment Bond Trust Agreement and the Sales Tax Bond Trust Agreement, bonds issued by the Commonwealth and federal aid.

Under the Enabling Act, the Authority is required to develop a comprehensive, long-term (not greater than 25 years) Program for Mass Transit (the “Program”). In addition, the Authority is required to implement the Program through rolling five-year capital investment programs adopted each year (each, a “CIP”). The Program and each CIP shall be based on the impact of projects on the effectiveness of the Commonwealth’s transportation system, service quality standards, environment, health and safety, operating costs, prevention or avoidance of deferred maintenance, and debt service costs.

The Enabling Act requires that each CIP shall identify for each project therein, the purpose and intended benefits, the total budget and timeline, the budget impact for the next Fiscal Year, the impact on operating expenses and revenues, and the cost of scheduled maintenance and useful life and shall prioritize the projects based upon the factors set forth above, with the highest priority to scheduled maintenance to prevent the deferral of routine and scheduled maintenance, projects with greatest benefits with least cost, certain transit projects intended to mitigate the potential adverse air quality impacts of the Central Artery/Tunnel Project, and compliance with the Americans with Disabilities Act. Furthermore, scheduled maintenance shall be undertaken prior to system expansion, unless expansion is required by law or is cost-effective, environmentally beneficial or produces quantifiable savings.

Total anticipated expenditures under the Authority’s Fiscal Year 2020-2024 Capital Investment Program equal approximately \$8.2 billion. Of such amount, approximately \$2.3 billion is expected to be financed from Commonwealth bonds, \$1.0 billion is expected to be funded from the proceeds of Authority bonds, approximately \$3.9 billion is expected to be funded from federal assistance, including the loans for the PTC Project and the other parts of the commuter rail safety and resiliency project, with the remainder funded from (i) pay-as-you-go capital funds, including amounts on deposit in the Capital Maintenance Fund and the Lockbox Capital Maintenance Fund and (ii) local funds and state and third-party reimbursements. The current capital program funds a variety of projects, including those necessary to comply with legal commitments, such as funding of the positive train control project and the extension of the Authority’s light rail green line to Somerville and Medford, both described below. Federal aid for transit programs has historically been provided pursuant to multi-year authorizations, including most recently the Fixing America’s Surface Transportation (FAST) Act which was enacted in December 2015 and funds federal fiscal years 2016 through 2020.

In the absence of additional federal government and Commonwealth operational support, the amount of debt service the Authority must pay will directly affect the amount of the Dedicated Revenues, after the payment of debt service, which is available to the Authority to support its operations, maintenance and capital reinvestment needs. The level or cost of the Authority’s transportation services

will not affect the availability of the Dedicated Sales Tax, Assessments or other Pledged Revenues to meet debt service requirements on the Sales Tax Bonds and the Assessment Bonds. See “ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS – Legal Obligations of Assessed Cities and Towns” and “DEDICATED SALES TAX.”

PLAN OF REFUNDING

Upon authentication and delivery of the Bonds, a portion of the proceeds of the Bonds will be deposited with the Trustee, as escrow agent, pursuant to a refunding escrow agreement (the “Refunding Escrow Agreement”). Such amount will be invested in certain Defeasance Obligations until July 1, 2020, which is the redemption date for the Refunded Bonds, and will be applied on that date to pay the redemption price of the Refunded Bonds, plus accrued interest to the redemption date. Upon deposit of such amount under the Refunding Escrow Agreement, the Refunded Bonds will no longer be outstanding under the Sales Tax Bond Trust Agreement, but will be payable solely from the amount held under the Refunding Escrow Agreement.

APPLICATION OF FUNDS

The proceeds from the sale of the Bonds, including original issue premium in the amount of \$93,566,989, plus amounts released from the Sales Tax Bond Trust Agreement as a result of the refunding of the Refunded Bonds, are expected to be applied as follows:

To repay commercial paper notes for Sustainability Projects	\$ 50,000,000
To repay other commercial paper notes	90,000,000
To fund other portions of the capital program	200,000,000
To refund the Refunded Bonds	149,587,695
To pay the costs of issuance of the Bonds, including underwriters’ discount	<u>1,515,307</u>
Total Application of Funds	\$491,103,002

Designation of the Subseries B-2 Bonds as Sustainability Bonds.

The Authority has made a commitment to promoting projects that maximize and equitably distribute social benefits across the communities it serves and that maximize the environmental benefits of the transportation system (“Sustainability Projects”). The Authority has adopted a framework (the “Sustainability Bond Framework”) that focuses on financing Sustainability Projects with revenue bonds and notes (“Sustainability Bonds”). The Authority is issuing Sustainability Bonds due to the nature of the projects being financed thereby. The purpose of identifying the Subseries B-2 Bonds as Sustainability Bonds is to allow investors to invest directly in obligations that finance socially and environmentally beneficial and sustainable projects. Such Bonds are issued on a parity with all Outstanding and any future issues of Subordinated Sales Tax Bonds by the Authority pursuant to the Trust Agreement. Holders of Sustainability Bonds, including the Subseries B-2 Bonds, do not assume any specific project risk related to any of the funded Sustainability Projects.

Use of Proceeds of the Sustainability Bonds.

The Authority expects to use the proceeds of Sustainability Bonds, including the Subseries B-2 Bonds, to finance eligible projects that provide environmental and/or social benefits. Environmental benefits center on the transition to a low-carbon, climate resilient and sustainable community. Social

benefits may include, but are not limited to, access to essential services and affordable infrastructure, critical health and safety improvements, and socioeconomic advancement.

Project Evaluation and Selection.

The Authority has established a committee (the “Sustainability Bond Committee”), made up of internal stakeholders, directors and managers with responsibility for maintaining the Sustainability Bond Framework and evaluating projects that may be candidates for Sustainability Bond funding. It is the responsibility of the Sustainability Bond Committee to review all proposed and existing Sustainability Projects to determine their compliance with the Sustainability Bond Framework. The Authority expects to allocate proceeds of Sustainability Bonds to eligible Sustainability Projects within twenty-four (24) months of issuance of the Bonds. Funds may be reallocated to other eligible projects at any time during the term of the Bonds.

Management of Proceeds.

The Authority will systematically manage and track the proceeds of each Sustainability Bond. The Authority will establish a distinct account for the proceeds of each Sustainability Bond and will track the use of such proceeds via its capital management and treasury information systems. The Authority expects to establish a register, recording each Sustainability Project financed by Sustainability Bond proceeds. Investment of Sustainability Bond proceeds prior to deployment will be in accord with the Trust Agreement and the Authority’s investment policy.

Post-Issuance Reporting on Sustainability Projects.

The Authority plans to report annually on its Sustainability Bonds and to post such reports (“Sustainability Progress Reports”) on its website. Such reports are expected to include:

- Aggregate amounts of funds allocated to each eligible project along with a description of the projects being financed;
- The remaining balance of unallocated net proceeds of Sustainability Bonds at the end of the reporting period;
- Qualitative performance indicators and, where feasible, quantitative performance measures of the environmental and social objectives of the eligible projects;
- Methods and key underlying assumptions used in the preparation of the performance indicators and metrics; and
- Confirmation that the use of net proceeds of each Sustainability Bond conforms to the Sustainability Bond Framework.

The Authority expects to publish each Sustainability Progress Report on the Authority’s website, in the section for financial reporting, found at <http://www.mbta.com>. Once all net proceeds of a particular Sustainability Bond have been spent, no further updates will be provided with respect to that issue.

THE BONDS

The Bonds will be issued in the aggregate principal amount of \$384,765,000, consisting of \$339,080,000 Subseries B-1 and \$45,685,000 Subseries B-2 (Sustainability Bonds). The Bonds will be dated the date of delivery, will mature on the dates and years and bear interest from their date at the per annum rates, all as set forth on the inside cover hereof. Interest on the Bonds will be payable semiannually on each January 1 and July 1, commencing January 1, 2021.

The Bonds are being issued only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. So long as DTC or its nominee, Cede & Co., is Holder, payments of the principal of and interest on the Bonds will be made directly to such Holder. Disbursement of such payments to the DTC Participants (hereinafter defined) is the responsibility of DTC and disbursement of such payments to Beneficial Owners (hereinafter defined) is the responsibility of the DTC Participants and the Indirect Participants (hereinafter defined). See “BOOK-ENTRY ONLY SYSTEM.”

REDEMPTION PROVISIONS

Optional Redemption

The Bonds maturing on or before July 1, 2030 are not subject to redemption prior to maturity. The Bonds maturing July 1, 2031 through July 1, 2035, inclusive, will be subject to redemption prior to maturity at any time on and after July 1, 2030 and the Bonds maturing on and after July 1, 2036 will be subject to redemption prior to maturity at any time on and after July 1, 2028, in any case, at the option of the Authority from any moneys available therefor, in whole or in part in integral multiples of \$5,000, at 100% of the principal amount to be redeemed, plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption of Subseries B-1 Bonds

The Subseries B-1 Bonds maturing on July 1, 2045 and July 1, 2050 are subject to mandatory redemption prior to maturity in part on July 1 in the years and in the amounts set forth below through the application of Sinking Fund Payments at a Redemption Price equal to the principal amount of each Subseries B-1 Bond or portion thereof to be redeemed, plus accrued interest to the redemption date.

Subseries B-1 Bonds

Maturing July 1, 2045		Maturing July 1, 2050	
<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2042	\$10,200,000	2046	\$12,400,000
2043	10,710,000	2047	13,015,000
2044	11,245,000	2048	13,670,000
2045	11,810,000	2049	14,350,000
		2050	15,070,000

Selection of Bonds to be Redeemed

If less than all of the Bonds of a subseries are to be redeemed, the particular maturities or Sinking Fund Installments of Bonds of such subseries to be redeemed at the option of the Authority will be determined by the Authority in its sole discretion.

If less than all of the Bonds of a particular subseries and maturity or Sinking Fund Installment are to be redeemed, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee by lot, or in such other manner as the Trustee in its sole discretion may deem fair and appropriate; provided that, so long as the Bonds are held in book-entry form and DTC or its nominee is the Bondowner, the particular portions of maturities or Sinking Fund Installments to be redeemed shall be selected by lot by DTC in such manner as DTC may determine.

Notice of Redemption; Effect of Redemption

In the event any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which shall be the principal corporate trust office of the Trustee) and, if less than all of the Bonds are to be redeemed, the numbers and subseries of the Bonds, and the portions of the Bonds, so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest. CUSIP number identification shall accompany all redemption notices. Such notice may set forth any additional information relating to such redemption.

Such notice shall be given by mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to each Bondowner to be redeemed at its address shown on the registration books kept by the Trustee; provided, however, that failure to give such notice to any Bondowner or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other Bonds. The Trustee shall send a second notice of redemption by certified mail return receipt requested to any registered Bondowner who has not submitted Bonds called for redemption 30 days after the redemption date, provided, however, that the failure to give any second notice by mailing, or any defect in such notice, shall not affect the validity of any proceedings for the redemption of any of the Bonds and the Trustee shall not be liable for any failure by the Trustee to send any second notice.

Any Bonds and portions of Bonds that have been duly selected for redemption and that are paid in accordance with the Sales Tax Trust Agreement shall cease to bear interest on the specified redemption date.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each subseries of the Bonds, each in the aggregate principal amount of such maturity and subseries, and will be deposited with DTC.

General. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical

movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has the S&P rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a single maturity of a subseries of Bonds are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

***No Responsibility of Authority and Trustee.* Neither the Authority nor the Trustee will have any responsibility or obligations to direct participants or the persons for whom they act as nominees with respect to the payments to or the providing of notice for direct participants, indirect participants, or beneficial owners.**

So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Bondowners or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

Certificated Bonds. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. In addition, the Authority may determine that continuation of the system of book-entry transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners of the Bonds. If for either reason the Book-Entry Only System is discontinued, Bond certificates will be delivered as described in the Sales Tax Bond Trust Agreement and the Beneficial Owner, upon registration of certificates held in the Beneficial Owner's name, will become the Bondowner. Thereafter, the Bonds may be exchanged for an equal aggregate principal amount of the Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the principal corporate trust office of the Trustee. The transfer of any Bond may be registered on the books maintained by the Trustee for such purpose only upon assignment in form satisfactory to the Trustee. For every exchange or registration of transfer of the Bonds, the Authority and the Trustee may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the Bondowner for any exchange or registration of transfer of the Bonds. The Trustee will not be required to transfer or exchange any Bond during the notice period preceding any redemption if such Bond (or any part thereof) is eligible to be selected or has been selected for redemption.

Transfer and Exchange

In the event that the Book-Entry Only System is discontinued, the following provisions would apply: Bonds of a subseries may be exchanged for an equal aggregate principal amount of Bonds in other authorized denominations and of the same subseries and maturity, upon surrender thereof at the principal corporate trust office of the Trustee. The transfer of any Bond may be registered on the books maintained by the Trustee for such purpose only upon the surrender thereof by the registered owner or by such owner's attorney duly authorized in writing to the Trustee with a duly executed assignment in form satisfactory to the Trustee. For every exchange or registration of transfer of Bonds the Authority and the Trustee may make a charge to the owner an amount sufficient to reimburse them for any tax, fee or other governmental charge required to be paid with respect to such exchange or registration of transfer, and, except for (i) with respect to the delivery of definitive Bonds in exchange for temporary bonds; (ii) in the case of a bond issued upon the first exchange or transfer of a Bond surrendered for such purpose within sixty (60) days after the first authentication and delivery of the Bonds; or (iii) as otherwise provided in the Sales Tax Bond Trust Agreement, the Trustee may charge a sum sufficient to pay the cost of preparing each new Bond issued upon such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

Neither the Authority nor the Trustee shall be required (i) to register, transfer or exchange Bonds for a period of fifteen (15) days next preceding an interest payment on the Bonds or next preceding any selection of Bonds to be redeemed or thereafter until the mailing of any notice of redemption; or (ii) to register, transfer or exchange any Bonds called for redemption.

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DEBT SERVICE REQUIREMENTS ON SALES TAX BONDS

The following table sets forth Debt Service on all of the outstanding Sales Tax Bonds to be paid to Bondowners in each Fiscal Year in which the Sales Tax Bonds will be outstanding.

Fiscal Year Ending June 30	Debt Service on Outstanding Senior Sales Tax Bonds ⁽¹⁾	Debt Service on Outstanding Subordinated Sales Tax Bonds and Notes ⁽²⁾	Debt Service on the Bonds	Total Debt Service
2021	\$350,566,728	\$22,348,800	\$10,687,917	\$383,603,445
2022	367,751,323	21,445,150	22,290,000	411,486,473
2023	294,757,287	24,803,566	68,134,000	387,694,853
2024	355,156,238	24,805,969	21,309,625	401,271,831
2025	296,243,724	24,806,569	30,348,375	351,398,668
2026	269,776,772	30,633,050	29,604,750	330,014,572
2027	262,892,619	30,622,844	29,466,875	322,982,337
2028	243,323,972	30,617,313	27,203,000	301,144,285
2029	249,656,441	30,605,625	25,538,500	305,800,566
2030	286,118,933	30,601,769	25,372,875	342,093,576
2031	220,163,914	30,589,731	28,952,375	279,706,020
2032	211,110,351	30,578,625	17,602,625	259,291,601
2033	211,399,300	30,572,188	17,589,000	259,560,488
2034	119,504,414	30,559,281	26,480,875	176,544,571
2035	144,285,814	30,548,825	31,579,625	206,414,264
2036	99,281,739	30,539,488	19,610,250	149,431,476
2037	65,877,998	30,525,006	15,632,000	112,035,004
2038	65,561,491	30,509,119	15,626,875	111,697,485
2039	65,252,924	30,495,369	15,612,250	111,360,543
2040	64,964,419	30,482,175	15,607,125	111,053,719
2041	49,854,929	30,472,831	15,590,500	95,918,260
2042	29,927,450	30,450,881	15,581,375	75,959,706
2043	29,906,875	30,444,494	15,568,500	75,919,869
2044	29,891,800	30,426,713	15,555,750	75,874,263
2045	29,869,325	30,405,900	15,541,875	75,817,100
2046	12,267,325	30,385,156	15,530,500	58,182,981
2047	-	30,367,331	15,515,250	45,882,581
2048	-	13,302,219	15,494,875	28,797,094
2049	-	13,299,488	15,482,750	28,782,238
2050	-	13,302,613	15,462,250	28,764,863
2051	-	13,301,319	15,446,750	28,748,069
2052	-	13,300,400	-	13,300,400

⁽¹⁾ Excludes debt service on the Refunded Bonds. Assumes variable rate bonds bear interest at 2.75%, the Revenue Bond Index rate as of April 16, 2020 ("RBI"). Excludes debt service associated with commercial paper. Excludes payments under the swap agreement associated with the 2003 Series B Bonds. Assumes the CPI Bonds, in the principal amount of \$25,005,000, bear interest at the fixed rate payable under the interest rate swap associated with such bonds. For a description of such swap agreements, see "THE AUTHORITY – Indebtedness – Hedge Agreements."

⁽²⁾ Includes interest only until maturity on December 1, 2021 on the Subordinated 2017 Notes and thereafter pro forma principal and interest on the Subordinated Sales Tax Bonds with which the Subordinated 2017 Notes are expected to be repaid at maturity, assuming \$271,095,000 of principal from 2023 to 2052 and interest thereon at RBI. Excludes principal and interest associated with \$50,000,000 Subordinated Sales Tax Bonds 2020 Series A line of credit. See "THE AUTHORITY – Indebtedness – Sales Tax Bonds."

SECURITY FOR THE SALES TAX BONDS

The principal of and premium, if any, and interest on the Sales Tax Bonds are payable from and secured by the pledge of the Authority, all as more fully described below and in APPENDIX A – “Summary of Certain Provisions of the Sales Tax Bond Trust Agreement – The Pledge Effected by the Sales Tax Bond Trust Agreement.” All of the Sales Tax Bonds are also secured by a lien and charge on all funds and accounts created under the Sales Tax Bond Trust Agreement (other than the Bond Proceeds Fund, while it is held by the Authority, and the Rebate Fund), provided that only Senior Sales Tax Bonds are secured by the Senior Debt Service Fund and the Senior Debt Service Reserve Fund and only Subordinated Sales Tax Bonds are secured by the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund, if any.

The Sales Tax Bond Trust Agreement provides that the Authority may incur particular obligations, including without limitation Senior Sales Tax Bonds, Subordinated Sales Tax Bonds and notes, and provides for the payment of Prior Obligations, funding the Senior Debt Service Reserve Fund and Subordinated Debt Service Reserve Fund and payment of debt service on Assessment Bonds to the extent there are insufficient funds available therefor under the Assessment Bond Trust Agreement.

The Sales Tax Bonds are not subject to acceleration in the event of any default under the Sales Tax Bond Trust Agreement.

The Authority intends to provide for the payment of the Prior Obligations under the Sales Tax Bond Trust Agreement. See “THE AUTHORITY – Indebtedness.” In addition, the Authority maintains a commercial paper program under the Sales Tax Bond Trust Agreement in the aggregate principal amount not to exceed \$250 million. Such commercial paper notes are secured by the Sales Tax Bond Trust Agreement and repaid by the proceeds of other notes, Senior Sales Tax Bonds or the Dedicated Sales Tax. As of May 1, 2020, \$175 million in aggregate principal amount of such notes were outstanding, which are expected to be repaid with the proceeds of the Bonds.

Pledge Under the Sales Tax Bond Trust Agreement

Obligations under the Sales Tax Bond Trust Agreement are special obligations of the Authority payable solely from the items pledged therefor pursuant to the terms of the Sales Tax Bond Trust Agreement. Such pledge includes the following:

- all Sales Tax Pledged Revenues;
- Dedicated Payments allocated to Senior Sales Tax Bonds and interest earnings thereon, if any;
- amounts received from the Trustee under the Assessment Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement;
- the Deficiency Fund and the Capital Maintenance Fund including the investments, if any, thereof; and
- all Funds and Accounts established under the Sales Tax Bond Trust Agreement (other than the Bond Proceeds Fund, while it is held and administered by the Authority, and the Rebate Fund, provided that only Senior Sales Tax Bonds are secured by the Senior Debt Service Fund and the Senior Debt Service Reserve Fund and only Subordinated Sales Tax Bonds are

secured by the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund, if any), including the investment income thereon, if any.

Subject to the foregoing, the above are pledged for the payment, first, of the Senior Sales Tax Bonds, second, of the Subordinated Sales Tax Bonds, third, of the Assessment Bonds, and, fourth, of the Prior Obligations, as the respective interests of the holders thereof may appear, in accordance with the respective terms of such Bonds and the Sales Tax Bond Trust Agreement; provided, however, that in the event the Authority is unable to make the below-described certification, payment of the Prior Obligations shall be made prior to the deposit to the Senior Debt Service Fund established under the Sales Tax Bond Trust Agreement. See “Provision for Payment of Prior Obligations.”

In accordance with the Sales Tax Bond Trust Agreement, the Dedicated Sales Tax credited to the State and Local Contribution Fund shall be deposited as soon as practicable to the Pledged Revenue Fund; provided, however, that the Authority has certified to the Commonwealth that it has provided for the payment of its Prior Obligations in its annual budget. In connection with its Fiscal Year 2020 budget, the Authority has certified that it has so provided for the payment of Prior Obligations during Fiscal Year 2020.

Under the Sales Tax Bond Trust Agreement, “Pledged Revenues” (referred to herein as the “Sales Tax Pledged Revenues”) means the Dedicated Sales Tax, payments received by the Authority from a Provider of a Hedge Agreement that is not a Qualified Hedge and Sales Tax Alternate Revenues, if any. Notwithstanding the preceding sentence, however, Sales Tax Pledged Revenues shall not include (i) Sales Tax Dedicated Payments; or (ii) amounts received under a Qualified Hedge Agreement which are deposited in the Senior Debt Service Fund and Subordinated Debt Service Fund and have been relied upon in calculating Net Debt Service in accordance with the Sales Tax Bond Trust Agreement. “Dedicated Sales Tax” means the base revenue amount or the dedicated sales tax revenue amount, both as defined in the Enabling Act. See “DEDICATED SALES TAX.”

Under the Sales Tax Bond Trust Agreement, “Dedicated Payments” (referred to herein as the “Sales Tax Dedicated Payments”) means any revenues of the Authority which are not Pledged Revenues as defined in the Sales Tax Bond Trust Agreement as initially entered into, which the Authority subsequently pledges as additional security for its payment obligations on Sales Tax Bonds pursuant to a resolution of the Authority and which are specifically designated as Sales Tax Dedicated Payments by the Authority in accordance with the limitations of the Sales Tax Bond Trust Agreement and, accordingly, are to be deposited in the Senior Debt Service Fund and the Subordinated Debt Service Fund upon receipt. See APPENDIX A – “Summary of Certain Provisions of the Sales Tax Bond Trust Agreement.”

The Sales Tax Bonds are not a debt of the Commonwealth or any political subdivision thereof, and neither the Commonwealth nor any political subdivision thereof (other than the Authority) shall be liable thereon, except as described herein. The Authority has no taxing power.

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Flow of Funds

The Sales Tax Bond Trust Agreement establishes the following Funds and Accounts, to be held and administered by the Trustee:

- (1) the Pledged Revenue Fund;
- (2) the Senior Debt Service Fund;
- (3) the Senior Debt Service Reserve Fund;
- (4) the Subordinated Debt Service Fund*;
- (5) the Subordinated Debt Service Reserve Fund**; and
- (6) the General Fund.

* In connection with federal loans to fund a portion of certain projects, the Authority created a new account (the “USDOT Account”) within the Subordinated Debt Service Fund, funded after other amounts in the Subordinated Debt Service Fund, to repay the federal loans.

** The Subordinated Debt Service Reserve Fund is not funded in connection with the Bonds. The Senior Sales Tax Bonds, but not the Bonds or other Subordinated Sales Tax Bonds, are secured by amounts on deposit in the Subordinated Debt Service Reserve Fund. See APPENDIX A – “Summary of Certain Provisions of the Sales Tax Bond Trust Agreement” under the heading “Senior Debt Service Reserve Fund.”

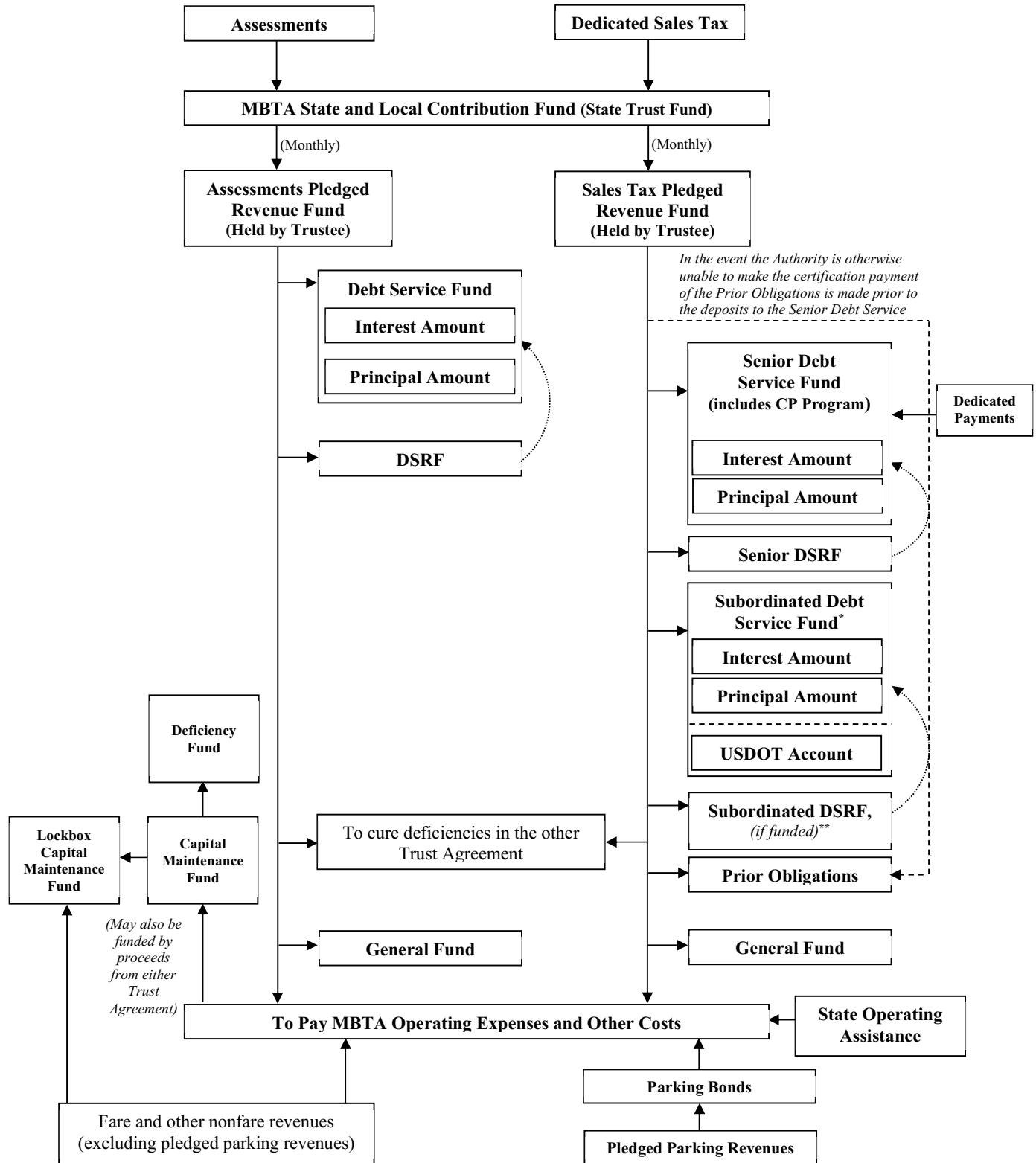
The Sales Tax Bond Trust Agreement establishes the following Funds and Accounts, to be held and administered by the Authority:

- (1) the Sales Tax Bond Proceeds Fund, which shall include a Capital Account and such other Accounts as the Authority may create by Supplemental Trust Agreement; and
- (2) the Rebate Fund.

The Authority by Supplemental Trust Agreement authorizing a series of Sales Tax Bonds may designate that one or more Accounts in the Sales Tax Bond Proceeds Fund created by such Supplemental Trust Agreement be held and administered by the Trustee and pledged to the Owners of the Sales Tax Bonds.

Set forth on the following page is an illustration of the flow of funds under the Sales Tax Bond Trust Agreement and under the Assessment Bond Trust Agreement which are more fully described in APPENDIX A – “Summary of Certain Provisions of the Sales Tax Bond Trust Agreement – Establishment of Funds and Accounts” through “Subordinated Debt Service Reserve Fund” and in APPENDIX B – “Summary of Certain Provisions of the Assessment Bond Trust Agreement – Establishment of Funds and Accounts” through “Debt Service Reserve Funds,” respectively.

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* Certain federal loans are paid from amounts on deposit in the US DOT Account of the Subordinated Debt Service Fund after payment of the Bonds and all other Subordinated Sales Tax Bonds Outstanding from time to time.

** The Subordinated Debt Service Reserve Fund will not be funded in connection with the Bonds.

Provision for the Payment of Prior Obligations

In the event that in any given Fiscal Year, the Authority is otherwise unable to certify that it has provided for payment of the Prior Obligations during the next Fiscal Year without changing the priority of payment of the Prior Obligations coming due during such Fiscal Year, as set forth above, the Authority shall deposit sufficient amounts of Dedicated Sales Tax to pay the Prior Obligations coming due during such Fiscal Year prior to making the required deposit to the Senior Debt Service Fund during the following Fiscal Year; provided, however, that if during such Fiscal Year the Authority shall adopt a supplemental budget which would permit the Authority to be able to make such certification without changing the original priority, the required deposit for the Prior Obligations shall not be required to be paid prior to the deposit required to the Senior Debt Service Fund for the remainder of such Fiscal Year.

Pledge of Amounts Payable Under the Assessment Bond Trust Agreement

Under the Assessment Bond Trust Agreement, the Authority pledges to the payment of Assessment Bonds pledged revenues, including the Assessments. The Authority has previously issued Assessment Bonds, which, as of May 1, 2020 were outstanding in the aggregate principal amount of \$619.2 million.

For Fiscal Year 2001, Assessments equaled \$144,578,734. Beginning in Fiscal Year 2002 and each Fiscal Year thereafter through Fiscal Year 2006, Assessments were reduced in five equal installments until the Assessments in Fiscal Year 2006 totaled \$136,026,868, which is the basis for the Assessment Floor Amount. Each year thereafter, Assessments were adjusted for inflation, provided that such amount could not increase by more than 2.5% annually. Total Assessments for each of the past five Fiscal Years and budgeted Assessments for the current Fiscal Year are as set forth below:

<u>Fiscal Year</u>	<u>Assessments</u>
2015	\$160,135,712
2016	162,858,019
2017	163,998,025
2018	166,457,995
2019	170,145,000
2020*	174,373,072
* Budgeted.	

Under the Sales Tax Bond Trust Agreement, to the extent the amounts in the Senior Debt Service Fund or the Subordinated Debt Service Fund are insufficient to pay Net Debt Service on Sales Tax Bonds, including the Bonds, the Trustee shall deliver a certificate to the Authority and the trustee under the Assessment Bond Trust Agreement setting forth the amount of the shortfall and shall receive such amount from the Pledged Revenue Fund under the Assessment Bond Trust Agreement, to the extent available after deposits are made to pay debt service on, to fund the debt service reserve fund for and to pay rebate with respect to any Assessment Bonds issued under the Assessment Bond Trust Agreement. For further information relating to the Assessment Bond Trust Agreement and Assessments, see “ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS” and APPENDIX B – “Summary of Certain Provisions of the Assessment Bond Trust Agreement.”

Pledge Under Sales Tax Bond Trust Agreement to Assessment Bonds

As described under “Flow of Funds,” in the event the Trustee shall have received a certificate of the trustee under the Assessment Bond Trust Agreement that amounts on deposit in any debt service fund thereunder are insufficient to pay debt service on any Assessment Bonds issued thereunder, the Trustee

shall transfer to such trustee from the Pledged Revenue Fund the amount of the shortfall, to the extent available after making the required deposits to the Senior Debt Service Fund, the Senior Debt Service Reserve Fund, the Subordinated Debt Service Fund, the Subordinated Debt Service Reserve Fund and the Rebate Fund.

Deficiency Fund and Capital Maintenance Fund

Under a separate resolution, the Authority has created a Deficiency Fund and a Capital Maintenance Fund, each of which is pledged to the holders of Assessment Bonds under the Assessment Bond Trust Agreement and to the holders of Sales Tax Bonds under the Sales Tax Bond Trust Agreement. The resolution requires that the Authority shall hold on deposit in such funds the amounts determined from time to time by the Chief Financial Officer of the Authority in his sole discretion. As of May 21, 2020, the Deficiency Fund had a balance of \$21.3 million and the Capital Maintenance Fund Requirement had a balance of \$15.4 million. Each of the Deficiency Fund and the Capital Maintenance Fund is held by the Authority. See “THE AUTHORITY – Operations.”

Additional Indebtedness

One or more additional series of Sales Tax Bonds may be authenticated and delivered upon original issue for any of the following purposes or any combination thereof: (i) to pay or provide for the payment of other Authority bonds, notes or other obligations; (ii) to refund Outstanding Sales Tax Bonds; (iii) to pay costs of the Authority in accordance with the Enabling Act; (iv) to make a deposit to the Bond Proceeds Fund, the Deficiency Fund or the Capital Maintenance Fund, including any Accounts therein; (v) in the case of Senior Sales Tax Bonds, to make a deposit to the Senior Debt Service Fund or the Senior Debt Service Reserve Fund, including any Accounts therein; (vi) in the case of Subordinated Sales Tax Bonds, to make a deposit to the Subordinated Debt Service Fund or the Subordinated Debt Service Reserve Fund, including any Accounts therein; and (vii) to pay or provide for the payment of the costs incurred in connection with the issuance of Sales Tax Bonds.

The Sales Tax Bonds of such series shall be authenticated only upon receipt by the Trustee (in addition to the other documents required under the Sales Tax Bond Trust Agreement for the issuance of Sales Tax Bonds) of a certificate of an Authorized Officer (i) setting forth (a) the Senior Net Debt Service for all series of Sales Tax Bonds Outstanding immediately after such authentication and delivery for the then current and each future Fiscal Year during which such series of Sales Tax Bonds will be Outstanding, (b) the Combined Net Debt Service for all series of Sales Tax Bonds Outstanding immediately after such authentication and delivery for the then current and each future Fiscal Year during which such series of Sales Tax Bonds will be Outstanding and (c) the aggregate estimated payments due and payable on Prior Obligations for the then current and each such future Fiscal Year; (ii) stating that the amount on deposit in the Senior Debt Service Reserve Fund and the Subordinated Debt Service Reserve Fund (after taking into account any surety bond, insurance policy, letter of credit or other similar obligation on deposit therein) immediately after the authentication and delivery of the Sales Tax Bonds of such series (and in the event that any Outstanding Sales Tax Bonds are then being redeemed, after such redemption) will be at least equal to the Senior Debt Service Reserve Requirement and the Subordinated Debt Service Reserve Fund Requirement, respectively; (iii) demonstrating, for the then current and each future Fiscal Year, that the sum of the Assessment Floor Amount plus the Residual Sales Tax divided by Net Debt Service (as defined in the Assessment Bond Trust Agreement) on outstanding Assessment Bonds is equal to or greater than 1.50; and (iv) demonstrating that: (a) the Base Revenue Floor Amount for each Fiscal Year during which such series of Sales Tax Bonds will be Outstanding is equal to or greater than the sum of (i) the amount set forth in clause (i)(b) and (ii) the amount set forth in clause (i)(c) for each such Fiscal Year; or (b) the Historic Dedicated Sales Tax Revenue Amount less, for the then current and each future Fiscal Year during which such series of Sales Tax Bonds will be Outstanding, the

amount set forth in clause (i)(c), divided by, for each such Fiscal Year, the amount set forth in clause (i)(a) and clause (i)(b), respectively, is equal to or greater than 2.00 and 1.50. See APPENDIX A – “Summary of Certain Provisions of the Assessment Bond Trust Agreement – Provisions For Issuance Of Sales Tax Bonds.”

For Fiscal Years 2020 – 2052, coverage for purposes of the additional bonds tests described in the preceding paragraph are projected to be approximately 10.49 to 113.45 for the purpose of the test set forth in clause (iii) above and approximately 2.36 to 48.17 for the test set forth in clause (iv)(a) above, in each case after giving effect to the issuance of the Bonds, for unhedged variable rate bonds, and the USDOT loan for the PTC Project, assuming, for unhedged variable rate bonds, the RBI as of April 16, 2020.

Under the Sales Tax Bond Trust Agreement, “Base Revenue Floor Amount” means (as of the date of computation) the base revenue amount (as defined in Section 35T), as most recently certified by the Comptroller of the Commonwealth in accordance with Section 35T. Under the Sales Tax Bond Trust Agreement, “Historic Dedicated Sales Tax Revenue Amount” means (as of any date of computation) the dedicated sales tax revenue amount, as defined in Section 35T, for any consecutive 12 of the last 24 months, as determined by the Authority. “Assessment Floor Amount” means the amount below which the amount assessed on cities and towns pursuant to the Enabling Act shall not be reduced in accordance with Section 35T, and “Residual Sales Tax” means for any year the greater of the Base Revenue Floor Amount and the Historic Dedicated Sales Tax Revenue Amount less the sum of (i) the estimated debt service on Prior Obligations; (ii) Senior Net Debt Service; (iii) Subordinated Net Debt Service; and (iv) debt service on indebtedness (other than Indebtedness) issued under the Sales Tax Bond Trust Agreement and secured by a pledge of or security interest in and payable from the Dedicated Sales Tax.

The Authority reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness or to enter into a hedge agreement pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness or provider of the hedge agreement is not, except as provided in the Sales Tax Bond Trust Agreement, entitled to a charge or a lien or right with respect to the Pledged Revenues or the Funds and Accounts created by or pursuant to the Sales Tax Bond Trust Agreement.

The Sales Tax Bond Trust Agreement also provides for the issuance by the Authority of General Fund Indebtedness, which means any debt issued by the Authority which is secured or payable from the Pledged Revenues and other amounts on deposit from time to time in the General Fund, provided that the priority of such pledge shall not be prior to or equal to the pledge made by the Sales Tax Bond Trust Agreement for the benefit of Sales Tax Bonds.

Statutory Covenant

The Enabling Act contains a statutory covenant that provides, in pertinent part, as follows:

In order to increase the marketability of any bonds or notes of the Authority which may be secured by or payable from amounts held in the Commonwealth’s MBTA State and Local Contribution Fund, the sums to be credited to the Fund . . . are hereby impressed with a trust for the benefit of the Authority and the holders from time to time of any such bonds or notes, and, in consideration of the acceptance of payment for any such bonds or notes, the Commonwealth covenants with the purchasers and all subsequent holders and transferees of any such bonds or notes that while any such bond or note shall remain outstanding, and so long as the principal of or interest on any such bond or note shall remain unpaid, the sums to be credited to the Fund . . . shall not be diverted from the purposes identified [in the Enabling Act] and, so long

as such sums are necessary, as determined by the Authority in accordance with any applicable trust agreement, bond resolution, or credit enhancement agreement, for the purposes for which they have been pledged, the rates of the excises imposed by said chapters 64H and 64I shall not be reduced below the dedicated sales tax revenue amount or the base revenue amount and the amount to be assessed on cities and towns pursuant to [the Enabling Act] shall not be reduced below \$136,026,868 per Fiscal Year.

In the opinion of Bond Counsel, this covenant is a valid contract between the Commonwealth and the holders of Sales Tax Bonds and Assessment Bonds which is binding on future legislatures. Furthermore, enactment of a law which would reduce the Pledged Revenues below that which is necessary to satisfy the obligations of the Authority to the holders of the Sales Tax Bonds and Assessment Bonds issued prior to enactment of such law, including the holders of the Bonds, would result in an unconstitutional impairment of contract rights or taking of property rights unless such holders are provided reasonable and adequate compensation.

The covenant with respect to the Dedicated Sales Tax relates only to the rate of the sales tax and the Base Revenue Floor Amount, and not to the types of property and services that are taxed.

The FMCB Act confirms the foregoing covenants and provides further assurance with respect to outstanding indebtedness of the Authority, including the Sales Tax Bonds. The FMCB Act provides no existing rights of the holders of bonds, notes and other financing obligations issued by or on behalf of the Authority under the Enabling Act shall be impaired and nothing in the FMCB Act shall be construed to alter or grant the power to alter existing agreements securing the bonds or other obligations, hedge agreements or investment contracts pertaining thereto, other than in accordance with their terms. The FMCB Act requires the Authority to maintain the covenants and agreements of the trust agreements, bond resolutions and other instruments pertaining to such bonds and other obligations secured thereunder so long as such bonds and other obligations shall remain outstanding. The FMCB may not control or have the power to alter or otherwise impair the trust imposed by the Enabling Act and may not have the power to alter or otherwise impair the other Commonwealth covenants set forth in the Enabling Act.

DEDICATED SALES TAX

Under the Enabling Act, the Dedicated Sales Tax consists of the greater of the base revenue amount or the dedicated sales tax revenue amount. The dedicated sales tax revenue amount is equal to the amount raised by a one percent (1%) statewide sales tax (excluding meals tax) plus, commencing with Fiscal Year 2015, the amount of \$160,000,000 in each Fiscal Year. The base revenue amount of \$986,274,139 for Fiscal Year 2016, is adjusted by the percentage change in inflation, as measured by the Boston Consumer Price Index (the “Boston CPI”) for the prior year, except as follows:

- If the percent change in inflation, as measured by the Boston CPI for the prior year, is greater than or equal to 3% and there was an increase in the gross sales tax revenues, the base revenue amount is increased by 3%.
- If the percent change in inflation, as measured by the Boston CPI for the prior year, is less than 3% but greater than the percent increase in the gross sales tax revenues, the base revenue amount is increased by the same percentage increase as the amount of the gross sales tax revenues percentage increase; provided, however, that such increase shall in no event exceed 3%.
- If there was no increase in the gross sales tax revenue or the inflation index, the base revenue amount is held constant.

The gross sales tax revenues are equal to the gross sales tax revenue received, in the preceding 12 months, pursuant to chapters 64H and 64I of the Massachusetts General Laws, excluding any portion of such taxes imposed on meals as defined in paragraph (h) of section 6 of said chapter 64H.

The following table sets forth, for Fiscal Year 2001 through Fiscal Year 2021, the base revenue amount as certified by the Comptroller in accordance with the Enabling Act:

<u>Fiscal Year</u>	<u>Base Revenue Amount</u>	<u>Percent Increase</u>
2001	\$645,000,000	---
2002	664,350,000	3.00%
2003	684,280,500	3.00
2004	684,280,500	0.00
2005	704,808,915	3.00
2006	712,585,739	1.10
2007	733,963,311	3.00
2008	755,982,210	3.00
2009	767,056,684	1.46
2010	767,056,684	0.00
2011	767,056,684	0.00
2012	779,091,803	1.57
2013	786,866,936	1.00
2014	799,295,175	1.58
2015	970,637,174*	21.42*
2016	986,274,139	1.61
2017	992,191,784	0.60
2018	1,006,806,769	1.47
2019	1,032,067,551	2.51
2020	1,063,029,578	3.00
2021	1,083,333,443	1.91

*The Enabling Act was amended on October 31, 2014 to increase the annual Base Revenue Amount and the Dedicated Sales Tax Revenue Amount by \$160,000,000, intended to replace the \$160,000,000 annual appropriation the MBTA received from Fiscal Years 2010 to 2014. The percentage increase of the Base Revenue Amount for Fiscal Year 2015 over Fiscal Year 2014, excluding such increase, was 1.42%.

Pursuant to the Enabling Act, the dedicated sales tax revenue amount is credited to the State and Local Contribution Fund. For the purpose of determining the dedicated sales tax revenue amount to be credited to the State and Local Contribution Fund, the Comptroller shall on March 1 of each year certify the base revenue amount for the following Fiscal Year. On March 15 of each year, the Comptroller shall, after consultation with and based on projections of the department of revenue, certify whether the dedicated sales tax revenue amount is projected to exceed the base revenue amount for the upcoming Fiscal Year. If the Comptroller certifies that the projected dedicated sales tax revenue amount will be less than the base revenue amount, then the Comptroller shall for the following Fiscal Year credit to the Fund amounts sufficient to meet the base revenue amount. If the Comptroller certifies that the projected dedicated sales tax revenue amount will exceed the base revenue amount, then the Comptroller shall for the following Fiscal Year credit to the Fund the dedicated sales tax revenue amount. On November 15 of each year, the Comptroller shall certify whether the dedicated sales tax revenue amount as of that date is projected to exceed the base revenue amount for the current Fiscal Year. If the Comptroller certifies that the dedicated sales tax revenue amount is projected to be less than the base revenue amount, then the Comptroller shall credit to the Fund amounts sufficient to meet the base revenue amount for that Fiscal Year. If the Comptroller certifies that the dedicated sales tax revenue amount is greater than the base revenue amount, then the Comptroller shall credit to the Fund the dedicated sales tax revenue amount. On April 1 of each year the Comptroller shall repeat the certification process required on November 15 and

shall credit the appropriate amount to the Fund. In accordance with the MOU, the Dedicated Sales Tax generally is deposited not later than the last business day of each month, on account of the prior month.

In accordance with the foregoing procedure, on April 1, 2020, the Comptroller certified, with respect to Fiscal Year 2020, that the dedicated sales tax revenue amount is projected to be \$1,114,192,000, which exceeded the base revenue amount of \$1,063,029,578. The difference, when received, is credited to the State and Local Contribution Fund. As described under “CERTAIN INVESTMENT CONSIDERATIONS – Potential Impact of COVID-19,” the Authority is taking steps to manages its budget including assuming that it will receive, from the dedicated sale tax, only the base revenue amount, rather than the dedicated sales tax revenue amount.

On March 6, 2020, the Comptroller certified with respect to Fiscal Year 2021, that the base revenue amount is \$1,083,333,443, which is less than the projection of the dedicated sales tax revenue amount of \$1,136,000,000.

For detailed information regarding monthly deposits of the Dedicated Sales Tax to the State and Local Contribution Fund, see APPENDIX F – “History of Dedicated Sales Tax Receipts.”

The sales tax applies generally to retail sales of tangible personal property, meals, and telecommunications services, subject to certain statutory exemptions, including food that is not served as part of a meal and most clothing. A complementary use tax is imposed on storage, use or consumption of the same property or services, subject generally to the same exemptions, to the extent such property or services have not already been subject to sales tax in Massachusetts or another state. The Dedicated Sales Tax excludes any portion of the sales tax imposed on the sales of meals.

The following table sets forth, for Fiscal Year 1978 through Fiscal Year 2019, the Commonwealth’s total sales tax receipts, less sales tax on meals and less sales tax receipts from the Convention Center Financing District in Boston, as described below. The sales tax figures in the table are sales tax receipts after reimbursements and abatements. The “regular” sales tax was first imposed in April 1966 at a rate of 3%. In July 1976, this rate was increased to 5%. Sales of tangible personal property including motor vehicles were first taxed in Massachusetts under Stat. 1966 c. 14, § 1 at a rate of 3%. Originally a temporary tax, this tax was made permanent by Stat. 1967, c. 757, which enacted the first 31 sections of the sales tax. The new tax was also at 3%, and was effective January 1, 1968. The rate of tax was changed to 5% by Stat. 1975, c. 684, § 59, effective November 12, 1975. In 1991, a new law added services to the regular sales tax base, but prior to receipt of any sales tax on services, the law was partially repealed. Only telecommunications services remain in the regular sales tax base. In January 1998, the payment schedule for businesses with tax liabilities greater than \$25,000 per year was changed to simplify the time period on which such payments are based. While the timing change did not affect the amount of tax owed by the affected businesses, the new payment schedule caused a one-time delay in receipt of tax revenues realized in Fiscal Year 1998. Commencing July 1, 1997, total sales tax receipts exclude all receipts from the excise imposed upon sales at retail by vendors located in the Convention Center Financing District in Boston and vendors located in hotels in Cambridge and in Boston, outside of the Convention Center Financing District, in each case only for vendors that opened after July 1, 1997. The total amount of such excluded receipts for Fiscal Years 2014 through 2019, were \$3,836,724, \$5,605,840, \$6,778,846, \$3,516,765, \$6,006,276 and \$9,724,164, respectively.

Historical Commonwealth Sales Tax Receipts*

Fiscal Year	Sales Tax Receipts	MBTA Sales Tax Receipts**	% Increase/ (Decrease)	Fiscal Year	Sales Tax Receipts	MBTA Sales Tax Receipts**	% Increase/ (Decrease)
1978	\$520,701,180	\$104,140,236	17.8	1999	\$2,833,016,602	\$566,603,320	10.1
1979	577,811,734	115,562,347	11.0	2000	3,107,166,500	621,433,300	9.7
1980	608,428,226	121,685,645	5.3	2001	3,272,953,839	654,590,768	5.3
1981	704,188,866	140,837,773	15.7	2002	3,193,946,638	638,789,328	(2.4)
1982	753,147,231	150,629,446	7.0	2003	3,196,008,691	639,201,738	0.1
1983	865,291,925	173,058,385	14.9	2004	3,211,141,238	642,228,248	0.5
1984	1,041,797,387	208,359,477	20.4	2005	3,330,838,208	666,167,642	3.7
1985	1,209,522,818	241,904,564	16.1	2006	3,420,208,843	684,041,769	2.7
1986	1,452,092,246	290,418,449	20.1	2007	3,458,884,551	691,776,910	1.1
1987	1,600,004,046	320,000,809	10.2	2008	3,453,776,709	690,755,342	(0.1)
1988	1,733,312,576	346,662,515	8.3	2009	3,239,083,506	647,816,701	(6.2)
1989	1,787,062,915	357,412,583	3.1	2010	3,852,057,082	637,083,944	(1.7)
1990	1,660,519,469	332,103,894	(7.1)	2011	4,091,484,725	654,642,631	2.8
1991	1,617,727,175	323,545,435	(2.6)	2012	4,190,557,744	670,494,063	2.4
1992	1,682,319,431	336,463,886	4.0	2013	4,262,749,824	682,046,396	1.7
1993	1,820,971,551	364,194,310	8.2	2014	4,546,991,713	727,518,674	6.7
1994	1,978,773,555	395,754,711	8.7	2015***	4,775,641,191	924,102,590	27.0
1995	2,136,971,274	427,394,255	8.0	2016	4,990,760,343	958,521,655	3.7
1996	2,252,083,428	450,416,686	5.4	2017	5,104,756,434	976,761,029	1.9
1997	2,494,701,986	498,940,397	10.8	2018	5,299,436,522	1,007,909,844	3.2
1998	2,572,447,261	514,489,452	3.1	2019	5,582,310,329	1,053,169,653	4.5

Source: Massachusetts Department of Revenue

* Total sales tax receipts after reimbursements and abatements, less sales tax on meals and less sales tax from the Convention Center Financing District of Boston. Effective August 1, 2009 the rate of such tax was increased to 6.25% from 5.00%.

** For fiscal years 1978 –2000, equal to 20% of a 5% sales tax, which approximates the dedicated sales tax revenue amount for each such fiscal year. The August 1, 2009 increase in the sales tax rate did not increase the dedicated sales tax revenue amount prior to Fiscal Year 2015. See also APPENDIX F – History of Dedicated Sales Tax Receipts.

*** Amendments to the Enabling Act on October 31, 2014 increased the dedicated sales tax receipts by \$160 million. The percentage increase in MBTA Sales Tax Receipts for Fiscal Year 2015 over Fiscal Year 2014, excluding such increase is 5.0%.

Effective August 1, 2009, the sales and use tax rate was increased from 5% to 6.25%. Effective August 1, 2009, the exemption of taxes on alcohol sales was eliminated; this legislation, however, was repealed by the voters at the November 2010 statewide election, effective January 1, 2011. Beginning in Fiscal Year 2011, a portion of the Commonwealth's receipts from the sales tax (other than taxes required to be credited to the Convention Center Fund) has been dedicated to the Massachusetts Transportation Trust Fund. From Fiscal Year 2011 through Fiscal Year 2013, the amount dedicated was the amount raised by a portion of the sales tax equal to a 0.385% sales tax, with a floor of \$275 million per Fiscal Year. Pursuant to Section 2ZZZ of Chapter 29 of the Massachusetts General Laws such sales tax receipts are dedicated to the Commonwealth Transportation Fund rather than directly to the Massachusetts Transportation Trust Fund. During Fiscal Year 2013, approximately \$318 million in sales tax revenue was transferred to the Commonwealth Transportation Fund. Chapter 46 of the Acts of 2013 eliminated the 0.385% allocation of sales and use taxes to the Commonwealth Transportation Fund and provided instead that beginning in Fiscal Year 2014, all sales and uses taxes relating to sales of motor vehicles (net of amounts dedicated to the MBTA and the Massachusetts School Building Authority) are credited to the Commonwealth Transportation Fund.

From time to time the Commonwealth has implemented, through legislation, limited sales tax holidays that, by reducing overall sales tax receipts, also reduce the dedicated sales tax revenue amount, but not the base revenue amount, available to the Authority. Chapter 121 of the Acts of 2018, effective July 1, 2019, requires an annual sales tax 'holiday' weekend each August. With certain exceptions (meals, vehicles, motorboats, telecommunication services, gas, steam, electricity, tobacco products, marijuana and marijuana products, alcoholic beverages), the purchases during the tax holiday of items up to \$2,500 for individual use are exempt from sale tax. To date, no such sales tax holiday has had a material impact on the dedicated sales tax revenue amount in any fiscal year. The Authority cannot predict the impact such holidays may have on the dedicated sales tax revenue amount in the future.

Under the Enabling Act, the Commonwealth has covenanted with the holders and transferees of Sales Tax Bonds and Assessment Bonds that the rates of the taxes from which the Dedicated Sales Tax is derived will not be reduced below the rate prescribed by the Enabling Act. In the opinion of bond counsel, the covenant of the Commonwealth is a valid contract between the Commonwealth and the holders of Sales Tax Bonds and Assessment Bonds that is binding on future legislatures and therefore the petition, if placed on the ballot and approved, would have no effect on the Dedicated Sales Tax. See "SECURITY FOR THE SALES TAX BONDS - Statutory Covenant."

The Bonds are not general obligations of the Commonwealth and are not secured by the full faith and credit of the Commonwealth. The Bonds are payable only from Pledged Revenues and other moneys available to the owners of the Bonds under the Sales Tax Bond Trust Agreement. See "SECURITY FOR THE SALES TAX BONDS."

ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS

The Assessment Bond Trust Agreement provides that the Authority may incur particular obligations, including, without limitation, Assessment Bonds, and provides for, to the extent of available funds under the Assessment Bond Trust Agreement, the payment of Sales Tax Bonds to the extent there are insufficient funds available therefor under the Sales Tax Bond Trust Agreement. Obligations under the Assessment Bond Trust Agreement are payable from and secured by a pledge of the Assessment Pledged Revenues (hereinafter defined) and a lien and charge on all funds and accounts created under the Assessment Bond Trust Agreement (other than the Bond Proceeds Fund while it is held and administered by the Authority and the Rebate Fund and as otherwise described below).

Pledge Under the Assessment Bond Trust Agreement

Obligations under the Assessment Bond Trust Agreement are special obligations of the Authority payable solely from the items pledged therefor pursuant to the terms of the Assessment Bond Trust Agreement. Such pledge includes the following:

- all Assessment Pledged Revenues;
- Dedicated Payments allocated to Assessment Bonds and interest earnings thereon, if any;
- amounts received from the trustee under the Sales Tax Bond Trust Agreement in accordance with the Assessment Bond Trust Agreement;
- the Deficiency Fund and the Capital Maintenance Fund including the investments, if any, thereof; and
- all Funds and Accounts established under the Assessment Bond Trust Agreement (other than the Bond Proceeds Fund, while it is held and administered by the Authority, and the Rebate Fund), including the investment income thereon, if any.

Under the Enabling Act, the above amounts constituting Dedicated Revenues shall not be reduced or diverted as described under “SECURITY FOR THE SALES TAX BONDS – Statutory Covenant.”

The above are pledged for the payment, first, of Assessment Bonds and, second, of Sales Tax Bonds, as the respective interests of the holders thereof may appear, in accordance with the respective terms of such Bonds and the Assessment Bond Trust Agreement.

Pursuant to Chapter 165, Section 116 of the Acts of 2012, Assessments are credited to the Fund on or before the last day of each month, and in accordance with the MOU are deposited on the day so credited. Assessments are collected by the Commonwealth and deducted from payments from the Commonwealth’s general revenue sharing funds and specific program funds to cities, towns and regional school districts (“Local Aid”) payable by the Commonwealth to assessed cities and towns. The amount of any assessment which exceeds a city or town’s Local Aid is payable directly by such city or town. Under Commonwealth law, there are other competing deductions and potential intercepts of Local Aid.

In accordance with the Assessment Bond Trust Agreement, Assessments credited to the State and Local Contribution Fund shall be deposited as soon as practicable to the Assessment Pledged Revenue Fund; provided, however, that the Authority has certified to the Commonwealth that it has provided for the payment of its Prior Obligations due in any particular Fiscal Year in its annual budget for such Fiscal Year.

Under the Assessment Bond Trust Agreement, “Pledged Revenues” (referred to herein as the “Assessment Pledged Revenues”) means Assessments, payments received by the Authority from a Provider of a Hedge Agreement that is not a Qualified Hedge and Alternate Revenues, if any. Notwithstanding the preceding sentence, however, Pledged Revenues shall not include (i) Sales Tax Dedicated Payments; or (ii) amounts received under a Qualified Hedge Agreement that are deposited in the Debt Service Fund and have been relied upon in calculating Net Debt Service in accordance with the Assessment Bond Trust Agreement.

Under the Assessment Bond Trust Agreement, “Dedicated Payments” (referred to herein as the “Assessment Dedicated Payments”) means any revenues of the Authority that are not Sales Tax Pledged

Revenues as defined in the Assessment Bond Trust Agreement as initially entered into, which the Authority subsequently pledges as additional security for its payment obligations on Assessment Bonds pursuant to a resolution of the Authority and which are specifically designated as Sales Tax Dedicated Payments by the Authority in accordance with the limitations of the Assessment Bond Trust Agreement and, accordingly, are to be deposited in the Debt Service Fund upon receipt. See APPENDIX B – “Summary of Certain Provisions of the Assessment Bond Trust Agreement.”

Flow of Funds

The Assessment Bond Trust Agreement establishes the following Funds and Accounts, to be held and administered by the Trustee:

- (1) the Assessment Bond Pledged Revenue Fund;
- (2) the Debt Service Fund;
- (3) the Debt Service Reserve Fund; and
- (4) the General Fund.

The Assessment Bond Trust Agreement establishes the following Funds and Accounts, to be held and administered by the Authority:

- (1) the Assessment Bond Proceeds Fund, which shall include a Capital Account and such other Accounts as the Authority may create by Supplemental Agreement; and
- (2) the Rebate Fund.

The Authority by Supplemental Agreement authorizing a series of Assessment Bonds may designate that one or more Accounts in the Bond Proceeds Fund created by such Supplemental Agreement be held and administered by the Trustee and pledged to the Owners of the Assessment Bonds.

For a description of the Funds and Accounts under the Assessment Bond Trust Agreement, see APPENDIX B – “Summary of Certain Provisions of the Assessment Bond Trust Agreement.”

For an illustration of the flow of funds under the Assessment Bond Trust Agreement, see “SECURITY FOR THE SALES TAX BONDS – Flow of Funds.”

Indebtedness Under the Assessment Bond Trust Agreement

For a description of the conditions to the Authority issuing indebtedness under the Assessment Bond Trust Agreement, see APPENDIX B – “Summary of Certain Provisions of the Assessment Bond Trust Agreement.”

Statutory Covenant

The Enabling Act contains a statutory covenant that provides that the amount to be assessed on cities and towns shall not be reduced below \$136,026,868 per Fiscal Year. See “SECURITY FOR THE SALES TAX BONDS – Statutory Covenant.”

In the opinion of Bond Counsel, this covenant is a valid contract between the Commonwealth and the holders of Bonds which is binding on future legislatures. Furthermore, enactment of a law which would reduce the Dedicated Revenues below that which is necessary to satisfy the obligations of the Authority to the holders of Assessment Bonds and Sales Tax Bonds issued prior to enactment of such law, would result in an unconstitutional impairment of contract rights or taking of property rights unless such holders are provided reasonable and adequate compensation.

The covenant with respect to the Assessments relates only to the aggregate amount of Assessments to be collected and not to the communities which are assessed or the amounts assessed on individual communities.

The FMCB Act confirms the foregoing covenant and provides further assurance with respect to outstanding indebtedness of the Authority. The FMCB Act provides no existing rights of the holders of bonds, notes and other financing obligations issued by or on behalf of the Authority under the Enabling Act shall be impaired and nothing in the FMCB Act shall be construed to alter or grant the power to alter existing agreements securing the bonds or other obligations, hedge agreements or investment contracts pertaining thereto, other than in accordance with their terms. The FMCB Act requires the Authority to maintain the covenants and agreements of the trust agreements, bond resolutions and other instruments pertaining to such bonds and other obligations secured thereunder so long as such bonds and other obligations shall remain outstanding. The FMCB may not control or have the power to alter or otherwise impair the trust imposed by the Enabling Act and may not have the power to alter or otherwise impair the other Commonwealth covenants set forth in the Enabling Act.

Assessments

Under the Enabling Act, the Commonwealth's annual obligation to support the Authority for operating costs and debt service will be limited to the Dedicated Revenues.

The Dedicated Revenues are credited upon receipt, without appropriation, to the Commonwealth's State and Local Contribution Fund. Such amounts shall be disbursed to the Authority upon the request of the General Manager so long as the Authority shall certify each year that it has provided in its budget for the payment of the Prior Obligations due during such year. In connection with its Fiscal Year 2020 budget, the Authority has certified that it has so provided for such payment of Prior Obligations during Fiscal Year 2020.

Under Chapter 161A of Massachusetts General Laws, as in effect prior to July 1, 2000 (the "Prior Act"), specified cities and towns were assessed to reimburse the Commonwealth for cash advances made to pay the Authority's Net Cost of Service on account of prior fiscal periods. The amount of assessments for any particular period varied, depending on the amount of the Net Cost of Service for that period and offsetting state appropriations, among other things. The Enabling Act increased the number of assessed cities and towns from 78 to 175 commencing in Fiscal Year 2002 and provided a process for other communities to join. In 2015, one additional community joined. Assessments cannot be less than \$136,026,868 and are adjusted each year thereafter for inflation, provided that such amount shall not increase by more than 2.5% per year. In each case, individual Assessments are determined according to a weighted population formula. See "SECURITY FOR THE SALES TAX BONDS – Pledged of Amounts Payable Under the Assessment Trust Agreement" for a table of total Assessments for the last five Fiscal Year and the amount budgeted for the current Fiscal Year. Cities and towns that are also assessed for regional transit authority expenses received a dollar-for-dollar credit against the Assessments, but this has no effect on the total amount assessed for the Authority, because the credited amounts are re-assessed on the "14 cities and towns" and the "51 cities and towns," but not on the "other served communities," as each is defined in the Enabling Act. See APPENDIX E – "Information Regarding Assessments and Local Aid" for historical information on the amounts of Local Aid, Authority Assessments and other assessments related to the cities and towns in the Authority's territory.

Assessments are collected by the Commonwealth pursuant to Section 20 of Chapter 59 of the General Laws, which deals generally with the collection of state assessments and charges. Under Section 20, the State Treasurer must, not later than August 20 of each year, send formal notice by mail to the assessors and treasurers of municipalities that owe assessments and charges payable to the

Commonwealth. In addition, Section 20 provides that the State Treasurer is to reduce the amounts payable by the Commonwealth to affected cities and towns under specified Local Aid programs by the amount of such assessments. Under Section 18C of Chapter 58 of the General Laws, cities and towns receive Local Aid monthly.

Pursuant to the Enabling Act, the Dedicated Revenues are credited to the Fund and may be disbursed to the Authority without appropriation and outside the state budget process, provided that the Authority certifies each year that it has provided for payment of the Prior Obligations in such year in its annual budget. The Authority will provide for payment of Prior Obligations from the Dedicated Sales Tax. See “SECURITY FOR THE SALES TAX BONDS.” The Enabling Act contains a statutory covenant to the effect that the Dedicated Revenues may not be reduced or diverted. See “SECURITY FOR THE SALES TAX BONDS – Statutory Covenant.”

If the amount of assessments and other charges due to the Commonwealth by a particular city or town exceeds the amount of its Local Aid, Section 20 provides that the local treasurer must pay the remaining amount owed to the State Treasurer pursuant to a schedule established by the Secretary of Administration and Finance. If the amount is not paid by the city or town within the time specified, the State Treasurer must notify the local treasurer, who must then pay into the state treasury, in addition to the sum assessed, such further sum as would equal 1% per month during the delinquency from and after the time specified. If the amount remains unpaid after the expiration of ten (10) days after the time specified, the State Treasurer is explicitly authorized by Section 20 to sue the delinquent city or town in the Supreme Judicial Court. Upon notice to the delinquent city or town and after a summary hearing before the court or a single justice of the court, an order may be issued enforcing the payment under such penalties as the court or the single justice may require. The State Treasurer is also authorized by Section 20 to deduct at any time from any moneys which may be due from the Commonwealth to such city or town the whole or any part of any sum so assessed or any other sum or sums which may be due and payable to the Commonwealth from such city or town, together with accrued interest thereon.

Although the Enabling Act contemplates a course of action in the event the amount of assessments and other charges due to the state by a particular city or town exceeds the amount payable by the Commonwealth, historically, all of the cities and towns required to pay the Assessments currently receive substantially more Local Aid than they owe in state charges and assessments. See APPENDIX E – “Information Regarding Assessments and Local Aid.”

Other Withholding of Local Aid

Qualified Bonds. The Commonwealth’s Qualified Bond Act enables cities and towns, with the approval of a board comprised of the Commonwealth’s Attorney General, State Treasurer, State Auditor, and Director of Accounts, or their designees (the “Qualified Bond Act Board”), to issue “qualified bonds,” i.e., bonds on which the debt service is paid directly by the State Treasurer. The State Treasurer pays the debt service on behalf of the city or town according to the debt service schedule that has been established at the time of issuance by the city or town, and then subsequently deducts the debt service amount from distributable aid payable to the city or town or, if the amount of distributable aid in that year is insufficient for the purpose, from any other amounts payable by the state to the city or town. One of the factors to be taken into account by the Qualified Bond Act Board in giving its approval is the amount of state Local Aid payments likely to be made to the city or town compared to the amount of debt service on the qualified bonds. The Qualified Bond Act contains a statutory covenant for the benefit of the holders of qualified bonds that the Commonwealth will not give a priority to any other deduction from Local Aid which is superior in right or prior in time to debt service payments on qualified bonds. The covenant makes clear, however, that the Commonwealth is not obligated to continue authorizing Local Aid payments. Neither this covenant nor anything else in the Qualified Bond Act constitutes a pledge of the

Commonwealth's credit, and nothing in the act relieves the issuing city or town from its ultimate responsibility for the debt service on the bonds.

Potential Local Aid Intercepts

Under certain circumstances, the State Treasurer is required to intercept a portion of a city or town's Local Aid in the event of non-payment of an obligation by such city or town.

Massachusetts Water Resources Authority. The Massachusetts Water Resources Authority (the "MWRA") provides wholesale water and wastewater services to numerous cities and towns in Massachusetts, for which it assesses charges. The MWRA's enabling act contains a Local Aid intercept provision pursuant to which the MWRA may, in the event of a payment delinquency on the part of a city or town, certify the unpaid amount to the State Treasurer, whereupon the State Treasurer must promptly pay to the MWRA any amount otherwise certified to the State Treasurer for payment to the city or town as Local Aid until such time as any deficiency in the city's or town's payment of charges to the MWRA has been set off by such payments from the State Treasurer. In the case of the cities of Boston and Lynn, Local Aid payments are not subject to setoff under the MWRA's enabling act on account of the payment obligations of the Boston Water and Sewer Commission ("BWSC") and the Lynn Water and Sewer Commission ("LWSC"), respectively. If water and sewer commissions are established in other cities in the future, Local Aid payments to those cities will be subject to the intercept. The MWRA has rarely utilized the intercept mechanism for cities and towns in the Authority's territory.

Massachusetts Clean Water Trust. The Massachusetts Clean Water Trust (the "Trust") makes loans to cities, towns and other units of regional and local government (including, for example, the MWRA, LWSC and the South Essex Sewage District ("SESD")) to finance water and wastewater treatment facilities. The Trust's enabling act contains two Local Aid intercept provisions relative to amounts owed on loans, one governing payments owed to a regional unit of government (such as the MWRA, LWSC and SEDS) by the underlying cities, towns and other entities receiving service from that regional unit and one governing payments by Trust borrowers directly to the Trust. In the former case, the regional entity may certify to the State Treasurer the amount owing to the regional entity, whereupon the State Treasurer must promptly pay to the regional entity any Local Aid distributions otherwise certified to the State Treasurer as payable to the offending city or town until such time as the deficiency has been offset. In the case of the intercept provisions in the Trust's enabling act, Local Aid payments to cities served by water and sewer commissions, such as BWSC and LWSC, are subject to offset. In the latter case, the Trust itself may certify to the State Treasurer the amount of the delinquency, and the State Treasurer must promptly pay to the Trust any Local Aid distributions otherwise payable to the borrowing entity. If the borrowing entity is a regional entity consisting of more than one local entity, and if the Trust determines that the regional borrower's delinquency is attributable to a particular local entity, the Trust may certify to the State Treasurer to have that local entity's Local Aid payments diverted. If the Trust determines that no local entity is in default to the regional borrower, the State Treasurer must pay the Trust and deduct Local Aid payments otherwise payable to all of the underlying local entities constituting the regional entity pro rata. If a local entity is in default both to a regional entity and to the Trust, intercepted Local Aid distributions are to be paid pro rata by the State Treasurer to the regional entity and to the Trust.

There are no provisions in state law governing the priority among these various Local Aid withholding or intercept provisions. However, Assessments are deducted from state Local Aid payments at the end of each month. In the past, Local Aid payments have been advanced to a distressed city or town. State grants to municipalities under the school building assistance program are payable at various times throughout the year. Local payments to the MWRA are payable in four equal installments due on or

before September 15, November 15, March 15 and May 15 of each Fiscal Year, while payments to the Trust are generally due on August 1 and February 1 of each Fiscal Year.

Legal Obligations of Assessed Cities and Towns

Although the mechanism by which a city or town “pays” Assessments is by deduction from Local Aid distributions received from the State Treasurer, payment of Assessments is a legal obligation of each assessed city and town. Under Section 21 and Section 23 of Chapter 59 of the General Laws, local assessors are required to include Assessments in the computation of the local tax rate. Along with debt service, final judgments and certain other specified items, assessments and charges owing to the state must be included in the total amount to be raised by taxation. In practice, the deduction of Local Aid distributions from the amount to be raised by the tax levy masks this requirement, but the obligation of the city or town to raise the money by taxation remains. Proposition 2½ provides that the total taxes assessed within a city or town may not exceed 2.5% of the full and fair cash value of all real estate and personal property in the city or town (the “maximum levy limit”) and further provides that the maximum levy limit may not increase annually by more than 2.5%, with certain exceptions, as more fully described under “Proposition 2½” herein. Currently, the payment of Assessments is effectively shielded from these provisions by virtue of the deduction of such payments from Local Aid distributions. Because Assessments are imposed directly by statute, they must be paid by the assessed city or town whether or not the local property tax rate for that Fiscal Year has been approved and whether or not the local budget for that Fiscal Year has been approved.

As noted above, cities and towns are subject to suit by the State Treasurer for payment of Assessments. Under state law, the payment by a city or town of its Assessment is not limited to a particular fund or revenue source and, as a result, such Assessment constitutes a general obligation of the city or town. The only provisions in state law that provide for priorities among municipal obligations are the provisions for setoffs against state Local Aid payments and the provisions of the Qualified Bond Act. There is no provision in state law for a lien on any portion of the local property tax levy to secure a particular obligation, including assessments, judgments or debt service, in priority to other claims. Cities and towns do have standing authority to borrow to pay final judgments, subject to the general debt limit. Subject to the approval of the state Director of Accounts for judgments above \$10,000, judgments may also be paid from available funds without appropriation and included in the next tax levy unless otherwise provided for.

Under the Enabling Act, the obligation to pay Assessments is not contingent upon the Authority’s provision of specified transportation services to the affected cities and towns. Some assessed cities and towns receive no direct service from the Authority, as was the case under the Prior Act. The validity of the assessments under the Prior Act was upheld by the Supreme Judicial Court in 1965, when the constitutionality of the Prior Act was challenged, and in 1975, when the assessment provisions were challenged by a town that received no direct service. In those decisions and in others involving similar mechanisms for apportioning costs of various public services on groups of communities, the court has acknowledged that cost allocations must be reasonable and may not be arbitrary, but the court has emphasized that the burden imposed upon a particular city or town need not be proportional to the benefits it receives. The court has recognized that “[b]y any measuring and apportioning schemes that can feasibly be administered, only a rough approximation of equality in the distribution of burdens can be had” and has indicated that it would defer to the legislature’s chosen methodology unless it is “arbitrary, despotic or a flagrant misuse of legislative power.”

Proposition 2½

In November 1980, voters in the Commonwealth approved a statewide tax limitation initiative petition, commonly known as Proposition 2½, to constrain levels of property taxation and to limit the charges and fees imposed on cities and towns by certain governmental entities, including county governments. Proposition 2½ is not a provision of the state constitution and accordingly is subject to amendment or repeal by the legislature. Proposition 2½, as amended to date, limits the property taxes that may be levied by any city or town in any Fiscal Year to the lesser of (i) 2.5% of the full and fair cash valuation of the real estate and personal property therein; and (ii) 2.5% over the previous year's levy limit plus any growth in the tax base from certain new construction and parcel subdivisions. Proposition 2½ also limits any increase in the charges and fees assessed by certain governmental entities, including Assessments, on cities and towns to the sum of (i) 2.5% of the total charges and fees imposed in the preceding Fiscal Year; and (ii) any increase in charges for services customarily provided locally or services obtained by the city or town at its option. The law contains certain override provisions and, in addition, permits debt service on specific bonds and notes and expenditures for identified capital projects to be excluded from the limits by a majority vote at a general or special election. At the time Proposition 2½ was enacted, many cities and towns had property tax levels in excess of the limit and were therefore required to roll back property taxes with a concurrent loss of revenues. Between Fiscal Year 1981 and Fiscal Year 2019, the aggregate property tax levy grew from \$3.347 billion to \$15.2 billion, a compound annual growth rate of 4.51%.

Proposition 2½ allows a community, through voter approval, to override the levy limit of Proposition 2½, or to assess taxes in excess of its levy limit for the payment of certain capital projects (capital outlay expenditure exclusions) and for the payment of specified debt service costs (debt exclusions).

Local Aid

During the 1980s, the Commonwealth increased Local Aid to mitigate the impact of Proposition 2½ on local programs and services. In Fiscal Years 2006 and 2007, 18% and 19.6%, respectively, of the Commonwealth's budgeted spending was allocated to direct Local Aid. Since Fiscal Year 2006 Local Aid expenditures are exclusive of the school building assistance program, which was restructured and moved off budget in Fiscal Year 2006. Local Aid payments to cities, towns and regional school districts take the form of both direct and indirect assistance. Direct Local Aid consists of general revenue sharing funds and specific program funds sent directly to local governments and regional school districts as reported on the "cherry sheet," excluding certain pension funds and non-appropriated funds.

As a result of comprehensive education reform legislation enacted in June 1993, a large portion of general revenue sharing funds is earmarked for public education and is distributed through a formula designed to provide more aid to the Commonwealth's poorer communities. The legislation requires the Commonwealth to distribute aid to ensure that each district reaches at least a minimum level of spending per public education pupil. Since Fiscal Year 2004, the Commonwealth has fully funded the requirements imposed by this legislation in each of the annual budgets. Beginning in Fiscal Year 2007, the legislature implemented a new model for the program which was adjusted to resolve aspects of the formulas that were perceived to be creating inequalities in the aid distribution. The Commonwealth's Fiscal Year 2020 budget included state funding for education aid of \$4.63 billion.

Another component of general revenue sharing is a program entitled Unrestricted General Government Aid which is partially determined using the Fiscal Year 2009 Lottery and Additional Assistance programs. There are also several specific programs funded through direct Local Aid, such as highway construction, school building construction, and police education incentives.

Except for delays in distributions of Local Aid in Fiscal Years 1989 and 1990, the Commonwealth has always paid Local Aid on schedule. In response to a budget deficit in Fiscal Year 1989, the Commonwealth delayed for one month the payment of approximately 10% of Local Aid (excluding amounts applicable to debt service on local government bonds). Local Aid payments which the recipient identified as applicable to debt service on its obligations were paid on time. Similarly, as a result of the Commonwealth's Fiscal Year 1990 deficit, the Commonwealth deferred \$1.26 billion of Local Aid due June 30, 1990 which was paid in early Fiscal Year 1991.

During Fiscal Year 2003, the Governor of the Commonwealth reduced Local Aid in response to declining revenues of the Commonwealth, pursuant to authority under Chapter 29, Section 9C of the Massachusetts General Laws. In the Fiscal Year 2004 General Appropriations Act, direct Local Aid was reduced by an additional \$288.7 million, or 5.7%. The Fiscal Year 2004 final supplemental appropriations act signed into law on September 17, 2004 appropriated \$75 million in one-time local aid payments to be distributed in Fiscal Year 2005. In Fiscal Year 2009, the Governor again sought authority to expand his powers under Chapter 29, Section 9C and reduced the combined additional assistance and lottery programs by \$128.0 million and later reduced education aid under Chapter 70 of Massachusetts General Laws by \$412 million which was replaced by federal State Fiscal Stabilization Funds.

The Commonwealth's Fiscal Year 2020 budget provided \$5.563 billion in state-funded local aid to municipalities. The budget included state funding for Chapter 70 education aid of \$4.435 billion to municipalities, an aggregate increase of \$116 million over the Fiscal Year 2019 aggregate amount. The budget also included \$1.129 billion for unrestricted general government aid, with funding allocated to ensure a 4.3% increase in funding over the Fiscal Year 2019 levels to all municipalities. The Local Aid still exceeds the amount of state charges and assessments owed by each city or town required to pay Assessments. See APPENDIX E – "Information Regarding Assessments and Local Aid."

CERTAIN INVESTMENT CONSIDERATIONS

Investment in the Bonds involves certain risks. The following is a discussion of certain risk factors which should be considered in evaluating the investment suitability of the Bonds. This discussion does not purport to be either comprehensive or definitive. There may be other risks associated with an investment in the Bonds in addition to those set forth herein.

Potential Impact of COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including throughout the United States and Massachusetts and has been declared a pandemic by the World Health Organization. In response to the outbreak, federal, Commonwealth and local governments have declared states of emergency in order to provide greater administrative flexibility in responding to the outbreak as well as make available additional resources. Federal, Commonwealth and local governments as well as private and public entities have also implemented numerous measures to mitigate the spread and effects of COVID-19, including the imposition of travel bans, closure of non-essential businesses, stay at home advisories or mandates and a number of other social distancing measures. The continued spread of COVID-19, and the various measures taken over time to mitigate the spread and effects of COVID-19, are anticipated to adversely impact the Commonwealth's, as well as the national and global, economy and, consequently, the financial condition of the Commonwealth and the MBTA. In addition, the outbreak and resulting mitigation measures are severely disrupting global, national and local economies and financial markets and causing significant volatility in the U.S. and global stock and bond markets.

The effect of COVID-19 has dramatically reduced utilization of MBTA services. The Authority estimates an approximately 80% reduction from a typical month in fare revenues across commuter rail, rapid transit and bus.

As a result, the Authority is projecting a decline of approximately \$217.1 million in its fare revenue, non-fare revenue and investment income for Fiscal Year 2020. The Authority is managing its budget assuming it may receive from the Dedicated Sales Tax only the Base Revenue Amount of \$1.063 billion rather than the estimated dedicated sales tax revenue amount of approximately \$1.088 billion. As described herein, the Base Revenue Amount is certified as of March 1 of each year and does not change regardless of actual sales tax collections. See “DEDICATED SALES TAX.”

The Coronavirus Aid Relief and Economic Security Act (the “CARES Act”) was signed into law on March 27, 2020 and is estimated to provide approximately \$827 million to the Authority. Such amount is expected to be used in Fiscal Years 2020 and 2021 to: pay operating costs to maintain service; make up for lost revenue due to the COVID-19 public health emergency; purchase personal protective equipment; and pay administrative leave for operations personnel due to reductions in service and fund payroll costs for staff staying home on administrative leave.

Secondary Market and Prices

The underwriters for the Bonds will not be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market therefor, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Bonds, and no assurance can be given that initial offering prices for the Bonds will continue for any period of time. Therefore, any prospective purchaser of the Bonds should undertake an independent investigation through its own advisors regarding the desirability and practicality of an investment in the Bonds. Any prospective purchaser should be aware of the long-term nature of an investment in the Bonds and should assume that it will have to bear the economic risk of its investment for an extended period of time.

Ratings

As of the date of initial issuance and delivery of the Bonds, the Bonds are rated by Moody's Investors Service, Inc. (“Moody's”) and S&P Global Ratings (“S&P”). See “RATINGS” herein. There is no assurance that any rating will be maintained for any given period of time or that it will not be revised downward or withdrawn entirely by either Moody's or S&P if, in its judgment, circumstances so warrant. The Authority undertakes no responsibility to oppose any such revision or withdrawal.

Tax Exempt Status of the Bonds

Any exclusion from gross income for federal income tax purposes of the interest on the Bonds is dependent upon, among other things, the accuracy of the certifications of the Authority contained in the certificate as to tax matters to be executed on the date of issuance of the Bonds (the “Tax Certificate”) and compliance with certain restrictions regarding investment of the proceeds of the Bond, use of the assets financed or refinanced with the proceeds of the Bonds and continuing compliance by the Authority with the Tax Certificate. Failure of the Authority to comply with the terms and conditions of the Sales Tax Bond Trust Agreement, the Tax Certificate and other documents or any inaccuracy of the certifications of the Authority in the Tax Certificate may result in the loss of the tax-exempt status of the interest on Bonds retroactive to the date of issuance of the Bonds. See “TAX EXEMPTION” herein.

There is no obligation to redeem the Bonds if interest on the Bonds becomes includable in gross income for federal income tax purposes. If interest on the Bonds should become included in gross income for federal income tax purposes, the market for and value of the Bonds would be adversely affected.

Moreover, there can be no assurance that the present advantageous provisions of the hereinafter defined Code, or the rules and regulations thereunder, will not be retroactively adversely amended or modified, thereby resulting in the inclusion in gross income of the interest on the Bonds for federal income tax purposes or otherwise eliminating or reducing the benefits of the present advantageous tax treatment of the Bonds. While no such legislation has been adopted, there can be no assurance that Congress would not adopt legislation applicable to the Bonds or the Authority and that the Authority would be able to comply with any such future legislation in a manner necessary to maintain the tax-exempt status of the Bonds.

LEGAL INVESTMENTS AND SECURITY FOR DEPOSITS

Under the Enabling Act, the Bonds are made securities in which all public officers and public bodies of the Commonwealth and its political subdivisions, all insurance companies, trust companies, banking associations, savings banks, cooperative banks, investment companies, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or notes or other obligations of a similar nature may properly and legally invest funds, including capital, deposits or other funds in their control or belonging to them. The Bonds are thereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth for any purpose for which the deposit of bonds or other obligations of the Commonwealth now or may hereafter be authorized by law.

LITIGATION

The Authority is engaged in numerous matters of routine litigation. These matters include tort and other claims where the Authority's liability is in whole or in part self-insured. In the opinion of the Authority's General Counsel, these matters are not reasonably expected to require amounts to be paid by the Authority which in the aggregate would be material to the financial information contained herein. Other cases and claims include disputes with contractors and others, arising out of the Authority's capital investment program. In the opinion of the Authority's General Counsel, any amounts reasonably expected to be paid by the Authority would be within the scope of grant funds and other moneys available to the Authority for the respective projects.

LEGISLATION

Legislation relating to the Authority is periodically filed in the state legislature. Such bills are subject to the legislative process and no prediction can be made as to whether or not such bills will be enacted into law.

Under the Massachusetts constitution, legislation also may be enacted in the Commonwealth pursuant to a voter initiative process. Initiative petitions which have been certified by the Attorney General of the Commonwealth as to proper form and as to which the requisite number of voter signatures has been collected are submitted to the Legislature for consideration. If the legislature fails to enact the measure into law as submitted, the petitioner may place the initiative on the ballot for the next statewide general election by collecting additional voter signatures. If approved by a majority of the voters at the general election, the petition becomes law 30 days after the date of the election. Initiative petitions so approved by the voters do not constitute constitutional amendments and may be subsequently amended or repealed by the legislature.

The Authority cannot predict whether initial petitions relating to or affecting the Authority will be commenced in the future and, if commenced, whether any will become law.

Any such legislation enacted or any law effected by the initiative petition process subsequent to the issuance of the Bonds would, in the opinion of Bond Counsel, with respect to the Bonds be subject to the provisions of the federal and Commonwealth constitutions prohibiting any law impairing the obligation of contracts and therefore could not unconstitutionally impair the contract of the owners of the Bonds.

TAX EXEMPTION

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., bond counsel to the Authority (“Bond Counsel”) is of the opinion that, under existing law, interest on the Bonds will not be included in the gross income of holders of such Bonds for federal income tax purposes. Bond Counsel’s opinion is expressly conditioned upon continued compliance by the Authority with certain requirements imposed by the Internal Revenue Code of 1986, as amended (the “Code”), which requirements must be satisfied subsequent to the date of issuance of the Bonds in order to ensure that the interest on the Bonds is and continues to be excludable from the gross income of the holders of the Bonds for federal income tax purposes. In particular, and without limitation, these requirements include restrictions on the use, expenditure and investment of Bond proceeds and the payment of rebate, or penalties in lieu of rebate, to the United States, subject to certain exceptions. The Authority has provided certifications and covenants as to its continued compliance with such requirements. Failure to so comply could cause the interest on the Bonds to be included in the gross income of the holders thereof retroactive to the date of issuance of the Bonds.

In the opinion of Bond Counsel, under existing law, interest on the Bonds will not constitute a preference item under Section 57(a)(5) of the Code for purposes of computation of the alternative minimum tax imposed on certain individuals. Bond Counsel has not opined as to any other matters of federal tax law relating to the Bonds. However, prospective purchasers should be aware that certain collateral consequences may result under federal tax law for certain holders of the Bonds, including but not limited to the requirement that recipients of certain Social Security and railroad retirement benefits take into account receipts or accruals of interest on the Bonds in determining gross income. The nature and extent of these consequences depends on the particular tax status of the holder and the holder’s other items of income or deduction. Holders should consult their own tax advisors with respect to such matters.

Interest paid on tax exempt obligations such as the Bonds is generally required to be reported by payors to the Internal Revenue Service (“IRS”) and to recipients in the same manner as interest on taxable obligations. In addition, such interest may be subject to “backup withholding” if the Bondholder fails to provide the information required on IRS Form W-9, Request for Taxpayer Identification Number and Certification, as ordinarily would be provided in connection with establishment of a brokerage account, or the IRS has specifically identified the Bondholder as being subject to backup withholding because of prior underreporting. Neither the information reporting requirement nor the backup withholding requirement affects the excludability of interest on the Bonds from gross income for federal tax purposes.

In the opinion of Bond Counsel, interest on the Bonds and any profit made on the sale thereof are exempt from Massachusetts personal income taxes and the Bonds are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to the other Massachusetts tax consequences resulting from holding the Bonds. However, prospective purchasers should be aware that the Bonds are included in the measure of Massachusetts estate and inheritance taxes, and the Bonds and the interest thereon are included in the measure of Massachusetts corporate excise and franchise taxes. Bond Counsel has not opined as to the taxability of the Bonds or the income therefrom under the laws of any state other than Massachusetts.

Interest on the Bonds includes original issue discount, which with respect to a Bond is equal to the excess, if any, of the stated redemption price at maturity of such Bond over the initial offering price thereof to the public, excluding underwriters and other intermediaries, at which price a substantial amount of all such Bonds with the same maturity was sold. Original issue discount accrues based on a constant yield method over the term of a Bond. Holders should consult their own tax advisors with respect to the computations of original issue discount during the period in which any such Bond is held.

An amount equal to the excess, if any, of the purchase price of a Bond over the principal amount payable at maturity constitutes amortizable bond premium. The required amortization of such premium during the term of a Bond will result in reduction of the holder's tax basis in such Bond. Such amortization also will result in reduction of the amount of the stated interest on the Bond taken into account as interest for tax purposes. Holders of Bonds purchased at a premium should consult their own tax advisors with respect to the determination and treatment of such premium for federal income tax purposes and with respect to the state or local tax consequences of owning such Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Bonds, including legislation, court decisions, or administrative actions, whether at the federal or state level, may affect the tax exempt status of interest on the Bonds or the tax consequences of ownership of the Bonds. No assurance can be given that future legislation, if enacted into law, will not contain provisions which could directly or indirectly reduce or eliminate the benefit of the exclusion of the interest on the Bonds from gross income for federal income tax purposes or any state tax benefit. Tax reform proposals and deficit reduction measures, including but not limited to proposals to reduce the benefit of the interest exclusion from income for certain holders of tax exempt bonds, including bonds issued prior to the proposed effective date of the applicable legislation, and other proposals to limit federal tax expenditures, have been and are expected to be under ongoing consideration by the United States Congress. These proposed changes could affect the market value or marketability of the Bonds, and, if enacted into law, could also affect the tax treatment of all or a portion of the interest on the Bonds for some or all holders. Holders should consult their own tax advisors with respect to any of the foregoing tax consequences.

On the date of delivery of the Bonds, the original purchasers of the Bonds will be furnished with an opinion of Bond Counsel substantially in the form shown in Appendix C – "Proposed Form of Opinion of Bond Counsel."

RATINGS

The Bonds have been assigned long-term ratings of "AA" with a stable outlook, and "Aa3" with a stable outlook, by S&P and Moody's, respectively.

Such ratings reflect only the respective views of such organizations, and an explanation of the significance of such ratings may be obtained from the rating agency furnishing the same. There is no assurance that a rating will continue for any given period of time or that a rating will not be revised or withdrawn entirely by any or all of such rating agencies, if, in its or their judgment, circumstances so warrant. Any downward revision or withdrawal of a rating could have an adverse effect on the market prices of the Bonds.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts, Bond Counsel. The approving opinion of Bond Counsel, in substantially the form attached hereto as Appendix C, will be delivered with the Bonds. Certain legal matters will be passed upon for the Underwriters by Nutter, McClennen & Fish, LLP, Boston, Massachusetts.

CONTINUING DISCLOSURE

In order to assist the original purchasers in complying with Rule 15c2-12(b)(5), the Authority will enter into a Continuing Disclosure Agreement with U.S. Bank National Association, as dissemination agent, for the benefit of owners of the Bonds setting forth the undertaking of the Authority regarding continuing disclosure with respect to the Bonds. The proposed Continuing Disclosure Undertaking is set forth in Appendix D.

UNDERWRITING

The Underwriters, for whom BofA Securities, Inc. is serving as representative (the “Representative”), have agreed, subject to certain conditions set forth in a bond purchase agreement to be entered into by the Authority and the Representative, to purchase from the Authority the Bonds at a discount from the initial offering prices equal to \$1,050,152.83. The Underwriters may offer and sell the Bonds to certain dealers and others (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices (or yields higher than the offering yields) stated on the inside cover page hereof. The principal offering prices (or yields) set forth on the inside cover page hereof may be changed from time to time after the initial offering by the Underwriters. The obligation of the Underwriters to accept delivery of the Bonds is subject to the terms and conditions set forth in the bond purchase agreement, the approval of legal matters by counsel and other conditions.

Certain of the Underwriters have entered into distribution agreements with other broker-dealers (some of which may not have been designated by the Authority as Underwriters) for the distribution of the Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Representative has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, the Representative may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, the Representative may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934. Wells Fargo Bank, National Association, acting through its Municipal Finance Group (“WFBNA”), one of the underwriters of the Bonds, has entered into an agreement (the “WFA Distribution Agreement”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“WFA”), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Authority, for which they received or will receive customary fees and expenses.

The Underwriters and their respective parent companies and affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. Certain of the Underwriters and their respective parent companies and affiliates have, from time to time, performed, and may in the future perform, various financial advisory, bank lending and investment banking services for the Authority, for which they received or will receive customary fees and expenses.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or public or express independent research views in respect to such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The accuracy of (i) the mathematical computations of the adequacy of the maturing principal of and interest earned on the government obligations to be held in escrow to pay principal, interest not otherwise paid and redemption premiums, if any, on the Refunded Bonds and (ii) certain mathematical computations supporting the conclusion that the bonds are not “arbitrage bonds” under the Code, will be verified by Samuel Klein and Company, Certified Public Accountants.

FINANCIAL ADVISOR

Public Resources Advisory Group (“PRAG”) serves as financial advisor to the Authority for debt management and other financial matters. PRAG has acted as independent financial advisor to the Authority with respect to the Bonds. PRAG is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness, or fairness of the information contained in this Official Statement and the appendices hereto. PRAG is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing securities.

MISCELLANEOUS


The summaries of the provisions of the Enabling Act, the Bonds, the Sales Tax Bond Trust Agreement and the Assessment Bond Trust Agreement contained herein do not purport to be complete and are made subject to the detailed provisions thereof to which reference is hereby made. Copies of the Enabling Act, the form of the Bonds, the Sales Tax Bond Trust Agreement and the Assessment Bond Trust Agreement are available for inspection at the offices of the Authority and the Trustee.

Information relating to DTC and the book-entry system described under the heading “BOOK-ENTRY ONLY SYSTEM” has been furnished by DTC. Neither the Authority nor the Underwriters make any representations or warranties whatsoever with respect to such information.

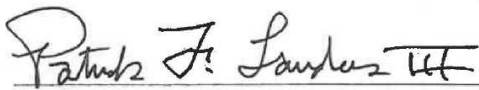
U.S. Bank National Association by acceptance of its duties as Trustee under the Sales Tax Bond Trust Agreement has not reviewed this Official Statement and makes no representations as to the information contained herein, including but not limited to, any representations as to the use of the proceeds of the Bonds or related activities.

The execution and delivery of this Official Statement has been duly authorized by the Authority.

MASSACHUSETTS BAY TRANSPORTATION AUTHORITY



Mary Ann O'Hara
Chief Financial Officer



Patrick F. Landers, III
Treasurer

June 3, 2020

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SUMMARY OF CERTAIN PROVISIONS OF THE SALES TAX BOND TRUST AGREEMENT

The following is a summary of certain provisions of the Sales Tax Bond Trust Agreement including certain terms used in the Sales Tax Bond Trust Agreement not used elsewhere in this Official Statement. This summary does not purport to be complete and reference is made to the Sales Tax Bond Trust Agreement for full and complete statements of its terms and provisions.

Definitions

The following are definitions in summary form of certain terms contained in the Sales Tax Bond Trust Agreement:

Account or Accounts shall mean each account or all of the accounts established by or pursuant to the Sales Tax Bond Trust Agreement.

Accreted Value shall mean with respect to any Capital Appreciation Bond (i) as of any Valuation Date, the amount set forth in the applicable Supplemental Trust Agreement and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Accreted Values for such Valuation Dates. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date and the number of days from the preceding Valuation Date to the next succeeding Valuation Date shall be calculated on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months.

Act shall mean Chapter 161A of the Massachusetts General Laws, as from time to time in effect.

Aggregate Debt Service for any period shall mean, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Outstanding Senior Sales Tax Bonds and all Outstanding Subordinated Sales Tax Bonds, provided, however, that for purposes of estimating Aggregate Debt Service for any future period, (i) any Variable Interest Rate Bonds shall be deemed to bear at all times (for which the interest rate is not yet determined) to the maturity thereof the Estimated Average Interest Rate applicable thereto; and (ii) any Put Bonds Outstanding during such period shall be assumed to mature on the stated maturity date thereof, unless the Credit Facility or Liquidity Facility securing such Put Bonds expires within three months or less of the date of calculation and has not been renewed or replaced in which case such Put Bonds shall be assumed to mature on the expiration date of such Credit Facility or Liquidity Facility. For purposes of this definition, the principal and interest portions of the Accreted Value of any Capital Appreciation Bonds becoming due at maturity or by virtue of a Sinking Fund Installment and the principal and interest portions of the Appreciated Value of any Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments only during the year such amounts become due for payment unless otherwise provided in the Supplemental Trust Agreement authorizing Sales Tax Bonds which are Capital Appreciation Bonds or Deferred Income Bonds, as the case may be.

Alternate Revenues shall mean any revenues of the Authority (other than the Dedicated Sales Tax) legally available and pledged by resolution of the Authority for its obligations under the Sales Tax Bond Trust Agreement and deposited to the Pledged Revenue Fund, provided that (i) if such Alternate Revenues are to be received from the United States of America or the Commonwealth, they must automatically recur without appropriation, approval or other similar action for so long as the Authority is

relying thereon for the purpose of issuing Sales Tax Bonds or they constitute a general obligation of the Commonwealth and the manner of determining the amounts to be derived therefrom must not be subject to change or revision during such period, (ii) such Alternate Revenues consist of obligations with a rating by each Rating Agency in a category equal to or higher than its unenhanced, published rating on Outstanding Sales Tax Bonds or (iii) the Authority has received a written confirmation from each Rating Agency that its unenhanced, published rating of Outstanding Sales Tax Bonds will not be adversely affected by the designation of such revenues as Alternate Revenues.

Amortized Value, when used with respect to Investment Obligations purchased at a premium above or a discount below par, shall mean the value as of any given time obtained by dividing the total premium or discount at which such Investment Obligation was purchased by the number of days remaining to maturity on such Investment Obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase, and (1) in the case of an Investment Obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (2) in the case of an Investment Obligation purchased at a discount by adding the product thus obtained to the purchased price.

Appreciated Value shall mean with respect to any Deferred Income Bond (i) as of any Valuation Date, the amount set forth for such date in the Supplemental Trust Agreement authorizing such Deferred Income Bond, (ii) as of any date prior to the Interest Commencement Date, other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date shall be calculated on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months.

Assessment Bonds shall mean any bond or bonds and any bond anticipation note authenticated and delivered under the Assessment Bond Trust Agreement.

Assessment Bond Trust Agreement shall mean the Massachusetts Bay Transportation Authority Assessment Bond Trust Agreement dated as of July 1, 2000 by and between the Authority and State Street Bank and Trust Company, as Trustee, as amended and supplemented from time to time.

Assessment Floor Amount shall mean the amount below which the amount assessed on cities and towns pursuant to the Act shall not be reduced in accordance with Section 35T.

Assessments shall have the meaning provided in the recitals to the Sales Tax Bond Trust Agreement.

Authority shall have the meaning provided in the first paragraph of the Sales Tax Bond Trust Agreement.

Authorized Newspaper shall mean The Bond Buyer or a newspaper customarily published at least once a day for at least five days (other than legal holidays) in each week, printed in the English language and of general circulation in the City or in the Borough of Manhattan, City and State of New York.

Authorized Officer shall mean the General Manager, the Chief Financial Officer, the Director of Financial Planning, the Treasurer-Controller or the General Counsel of the Authority, and when used with reference to an act or document of the Authority also means any other person authorized by resolution of the Authority to perform the act or sign the document in question.

Bank Bonds shall mean any Sales Tax Bonds issued to or acquired or held by any bank, insurance company or other provider of credit and/or liquidity support or any designee thereof for any Sales Tax Bonds or for any Bond Anticipation Notes as evidence of the obligations of the Authority arising under any letter of credit, revolving credit agreement, insurance policy, reimbursement agreement or any other agreement, instrument or document relating to such credit and/or liquidity support; provided, however, that Bank Bonds do not include any Sales Tax Bonds issued to or held by any such party or its designee in any other capacity.

Bankruptcy Related Events means, with respect to any Person,

(a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of such Person or any of its debts, or of a substantial part of the assets thereof, under any insolvency laws, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for such Person or for a substantial part of the assets thereof and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for sixty (60) days or an order or decree approving or ordering any of the foregoing shall be entered;

(b) such Person shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official therefor or for a substantial part of the assets thereof, (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, (iii) solely with respect to the Authority, fail to make two (2) consecutive payments on a loan from the USDOT Lender, (iv) make a general assignment for the benefit of creditors, (v) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, (vi) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any insolvency law, (vii) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (vi), inclusive, of this clause (b), or (viii) take any action for the purpose of effecting any of the foregoing, including seeking approval or legislative enactment by any governmental authority to authorize commencement of a voluntary proceeding under any insolvency law; or

(c) solely with respect to the Authority, the Trustee shall transfer, pursuant to directions issued by the holders of Sales Tax Bonds, funds on deposit in any of the accounts pledged under the Sales Tax Bond Trust Agreement upon the occurrence and during the continuation of an Event of Default under the Sales Tax Bond Trust Agreement for application to the prepayment or repayment of any principal amount of the Sales Tax Bonds other than in accordance with the provisions of the Sales Tax Bond Trust Agreement.

[definition to remain so long as the USDOT Bonds are Outstanding.]

Base Revenue Floor Amount shall mean (as of the date of computation) the base revenue amount (as defined in Section 35T), as most recently certified by the Comptroller of the Commonwealth in accordance with Section 35T.

Bond Anticipation Note shall mean a note issued pursuant to the Sales Tax Bond Trust Agreement.

Bond Counsel shall mean Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. or any other lawyer or firm of lawyers nationally recognized in the field of municipal finance and satisfactory to the Authority.

Bondowner or Owner, or Owner of Sales Tax Bonds, or any similar terms, shall mean any person who shall be the registered owner of any Outstanding Sales Tax Bond or Bonds.

Bond Proceeds Fund shall mean the Fund by that name established by the Sales Tax Bond Trust Agreement.

Business Day shall mean any day that is not a Saturday, Sunday or legal holiday in the Commonwealth or a day on which banks in the City are authorized or required by law or executive order to close.

Capital Appreciation Bond shall mean any Sales Tax Bond as to which interest is payable only at the maturity or prior redemption of such Sales Tax Bond. For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity or (ii) computing the principal amount of Sales Tax Bonds held by the registered owner of a Capital Appreciation Bond in giving to the Authority or the Trustee any notice, consent, request, or demand pursuant to the Sales Tax Bond Trust Agreement for any purpose whatsoever, unless otherwise provided in the Supplemental Trust Agreement authorizing Sales Tax Bonds which are Capital Appreciation Bonds, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

Capital Maintenance Fund shall mean the fund of such name created and held by the Authority pursuant to Authority resolution, which fund shall be used to pay a portion of the ongoing schedule of maintaining the equipment and mass transportation facilities of the Authority.

City shall mean the City of Boston in the Commonwealth.

Code shall mean the Internal Revenue Code of 1986, as amended to the date of adoption of the Sales Tax Bond Trust Agreement, unless a later day shall be specified in a Supplemental Trust Agreement to be applicable to one or more Series of Sales Tax Bonds, and the applicable regulations thereunder, and any reference in the Sales Tax Bond Trust Agreement to any section thereof shall, to the extent the provisions of the Internal Revenue Code of 1986, as amended to the date of adoption of the Sales Tax Bond Trust Agreement, unless a later date shall be specified in a Supplemental Trust Agreement to be applicable to one or more Series of Sales Tax Bonds, are included in a successor code or in an equivalent section or sections of such a successor code, be deemed to include such successor code and the equivalent section or sections of such successor code and the applicable regulations thereunder.

Combined Net Debt Service shall mean Subordinated Net Debt Service plus Senior Net Debt Service.

Commonwealth shall mean The Commonwealth of Massachusetts.

Counsel's Opinion or Opinion of Counsel shall mean an opinion signed by Bond Counsel or an attorney or firm of attorneys of recognized standing (who may be counsel to the Authority) selected by the Authority.

Credit Facility shall mean an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement or other agreement, facility or insurance or guaranty arrangement issued or extended by a Qualified Institution, pursuant to which the Authority is entitled to obtain moneys to pay the principal, purchase price or Redemption Price of Sales Tax Bonds due in accordance with their terms or tendered for purchase or redemption, plus accrued interest thereon to the date of payment, purchase or redemption thereof, in accordance with the Sales Tax Bond Trust Agreement, whether or not the Authority is in default under the Sales Tax Bond Trust Agreement.

Debt Service for any period shall mean, as of any date of calculation and with respect to the Outstanding Sales Tax Bonds of any Series, an amount equal to the sum of (i) interest accruing during such period on Outstanding Sales Tax Bonds of such Series and (ii) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series or, if (a) there shall be no such preceding Principal Installment due date or (b) such preceding Principal Installment due date is more than one year prior to the due date of such Principal Installment, then, from a date one year preceding the due date of such Principal Installment or from the date of issuance of the Sales Tax Bonds of such Series, whichever date is later. Such interest and Principal Installments for such Series shall be calculated on the assumption that (1) no Sales Tax Bonds (except for Put Bonds actually tendered for payment and not purchased in lieu of redemption prior to the redemption date thereof) of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof and (2) the principal amount of Put Bonds tendered for payment and not purchased in lieu of redemption prior to the redemption date thereof shall be deemed to accrue on the date required to be paid pursuant to such tender. For purposes of this definition, the principal and interest portions of the Accreted Value of a Capital Appreciation Bond and the Appreciated Value of a Deferred Income Bond becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments only during the year such amounts become due for payment unless otherwise provided in the applicable Supplemental Trust Agreement. Debt Service on Senior Sales Tax Bonds and Subordinated Sales Tax Bonds with respect to which there is a Qualified Hedge Agreement shall be calculated consistent with the Sales Tax Bond Trust Agreement. Debt Service shall include costs of Credit Facilities and Liquidity Facilities and reimbursement to Providers of Credit Enhancement, in each case if and to the extent payable from the applicable Debt Service Fund. Debt Service on Bond Anticipation Notes shall not include any Principal Installments thereon. With respect to any Variable Interest Rate Bonds, for purposes of calculating Debt Service hereunder, such Variable Interest Rate Bonds shall be deemed to bear interest at the Estimated Average Interest Rate.

Dedicated Payments shall mean any revenues of the Authority which are not Pledged Revenues, as defined in the Trust Agreement as initially entered into, which the Authority subsequently pledges as additional security for its payment obligations on the Sales Tax Bonds pursuant to a resolution of the Authority and which are specifically designated as Dedicated Payments by the Authority in accordance with the limitations of the Sales Tax Bond Trust Agreement and, accordingly, are to be deposited in the Senior Debt Service Fund or the Subordinated Debt Service Fund upon receipt.

Dedicated Sales Tax shall have the meaning provided in the Recitals to the Sales Tax Bond Trust Agreement.

Deferred Income Bond shall mean any Sales Tax Bond (i) as to which interest accruing thereon prior to the Interest Commencement Date of such Sales Tax Bond is (a) compounded on each Valuation Date for such Deferred Income Bond and (b) payable only at the maturity or prior redemption of such Sales Tax Bonds and (ii) as to which interest accruing after the Interest Commencement Date is payable on the first interest payment date immediately succeeding the Interest Commencement Date and periodically thereafter

on the dates set forth in the Supplemental Trust Agreement authorizing such Deferred Income Bond. For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed prior to maturity or (ii) computing the principal amount of Sales Tax Bonds held by the registered owner of a Deferred Income Bond in giving to the Authority or the Trustee any notice, consent, request, or demand pursuant to the Sales Tax Bond Trust Agreement for any purposes whatsoever, unless otherwise provided in the Supplemental Trust Agreement authorizing such Deferred Income Bond, the principal amount of a Deferred Income Bond shall be deemed to be its Appreciated Value.

Deficiency Fund shall mean the fund by such name created and held by the Authority pursuant to Authority resolution, which fund may be used to pay debt service on Authority bonds, notes and other obligations and other expenses of the Authority.

Estimated Average Interest Rate shall mean, as to any Variable Interest Rate Bond and as of any date of calculation, the “25-year revenue bond index” most recently published in The Bond Buyer or, if such index is no longer published, such other substantially comparable index as determined by the Authority; provided that, to the extent the then-current public rating of the Senior Sales Tax Bonds from any Rating Agency is lower than the third highest rating category (without regard to gradations such as “plus” or “minus” or numerical modifiers of such categories) conferred by such Rating Agency, for all purposes hereunder, the Estimated Average Interest Rate will be deemed to equal the maximum rate of interest permitted to apply to indebtedness incurred by the Authority under applicable law. *[Proviso effective for so long as the USDOT Bonds are Outstanding.]*

Fiduciary or Fiduciaries shall mean the Trustee, any Paying Agent, or any or all of them, as may be appropriate.

Fiscal Year shall mean that period beginning on the first day of July of any year and ending on the last day of June of the subsequent year or, at the option of the Authority, any other period of twelve consecutive calendar months selected by the Authority in a written instrument delivered to the Trustee as the Fiscal Year of the Authority.

Fund or Funds shall mean each fund or all of the funds established by the Sales Tax Bond Trust Agreement, as the case may be.

General Fund Expenses shall mean, to the extent such expenses shall not have been otherwise provided for, (i) the net costs (including, in certain circumstances, termination payments or fees) of any Hedge Agreements payable from the General Fund pursuant to and in accordance with Section 104 of the Trust Agreement and (ii) any other costs approved by the Board of Directors of the Authority. *[Fourth Supplemental Trust Agreement]*

General Fund Indebtedness shall mean any bond, note or other evidence of indebtedness issued by the Authority in accordance with Section 206 of the Trust Agreement which is secured by or payable from the Revenues and other amounts on deposit from time to time in the General Fund, provided that any such pledge shall not be prior or equal to the pledge thereof made hereby for the benefit of the provider of any surety bond, insurance policy, letter of credit or other similar obligation held on the Senior Debt Service Reserve Fund. *[Fourth Supplemental Trust Agreement]*

Hedge Agreement shall mean a payment exchange agreement, swap agreement, forward purchase agreement or any other hedge agreement entered into by the Authority providing for payments between the parties based on levels of, or changes in interest rates, stock or other indices or contracts to exchange cash flows or a series of payments or contracts, including without limitation, interest rate floors, or caps,

options, puts or calls, which allows the Authority to manage or hedge payment, rate, spread or similar risk with respect to any Series of Sales Tax Bonds.

Historic Dedicated Sales Tax Revenue Amount shall mean (as of any date of computation) the dedicated sales tax revenue amount, as defined in Section 35T, for any consecutive 12 of the last 24 months, as determined by an Authorized Officer.

Indebtedness shall mean Sales Tax Bonds or Bond Anticipation Notes.

Interest Commencement Date shall mean, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the Supplemental Trust Agreement authorizing such Deferred Income Bond after which interest accruing on such Sales Tax Bond shall be payable on the first interest payment date immediately succeeding such Interest Commencement Date and periodically thereafter on the dates specified in the Supplemental Trust Agreement authorizing such Deferred Income Bond.

Investment Agreement shall mean an agreement for the investment of moneys with, or unconditionally guaranteed by, a Qualified Institution but shall not mean an obligation of the type described in clause (x) of the definition of Investment Obligation herein.

Investment Income shall mean income from Investment Obligations held in the Funds and Accounts established under the Sales Tax Bond Trust Agreement, other than (i) if so determined in a Supplemental Trust Agreement authorizing the issuance of a Series of Sales Tax Bonds, with respect to such Sales Tax Bonds, income from Investment Obligations purchased from the proceeds of such Sales Tax Bonds held in the Bond Proceeds Fund and (ii) income from Investment Obligations held in the Rebate Fund.

Investment Obligation shall mean and include any of the following securities, to the extent investment in such securities by the Authority is authorized under applicable law:

(i) a bond or other obligation which as to principal and interest constitutes a direct obligation of, or is unconditionally guaranteed by, the United States of America, including an obligation of any of the Federal Agencies described in clause (iv) below to the extent unconditionally guaranteed by the United States of America;

(ii) a bond or other obligation of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which is not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bond or other obligation by the obligor to give due notice of redemption and to call such bond or other obligation for redemption on the date or dates specified in such instructions, (b) which is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bond or other obligation on the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) hereof which have been deposited in such fund, together with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bond or other obligation described in this clause (ii) on the maturity date thereof or on the redemption date specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate;

(iii) general obligations of the Commonwealth or obligations unconditionally guaranteed by the Commonwealth;

(iv) a bond, debenture, or other evidence of indebtedness issued or guaranteed at the time of the investment by the Student Loan Marketing Association, Federal National Mortgage Association, Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, the Tennessee Valley Authority, the United States Postal Service, Federal Farm Credit System Obligations, the Export Import Bank, the World Bank, the International Bank for Reconstruction and Developments, the Federal Home Loan Mortgage Corporation, the Resolution Funding Corporation, the U.S. Agency for International Development and the Inter-American Development Bank or any other agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America;

(v) an obligation of any state of the United States of America or any political subdivision thereof or any agency, instrumentality or local government unit of any such state or political subdivision other than obligations described in clause (iii) above which shall be rated at the time of the investment in a category equal to or higher than its unenhanced, published rating on Outstanding Sales Tax Bonds by any Rating Agency, without regard to any refinement or gradation of such rating;

(vi) a certificate or other instrument that evidences ownership of the right to payment of the principal of or interest on obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision, provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under the Sales Tax Bond Trust Agreement, and provided further that the payment of all principal of and interest on such certificate or such instrument shall be fully insured or unconditionally guaranteed by, or otherwise unconditionally payable pursuant to a credit support arrangement provided by, one or more financial institutions or insurance companies or associations which at the date of investment shall have an outstanding, unsecured, uninsured and unguaranteed debt issue rated in a category equal to or higher than its unenhanced, published rating on Outstanding Sales Tax Bonds by any Rating Agency, or, in the case of an insurer providing municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bonds, such insurance policy shall result in such municipal bonds being rated in the highest rating category by any Rating Agency, without regard to any refinement or gradation of such rating;

(vii) time deposits, certificates of deposit or any other deposit with a bank, trust company, national banking association, savings bank, federal mutual savings bank, savings and loan association, federal savings and loan association or any other institution chartered or licensed by any state or the U.S. Comptroller of the Currency to accept deposits in such state (as used herein, "deposits" shall mean obligations evidencing deposit liability which rank at least on a parity with the claims of general creditors in liquidation), which are (a) fully secured, to the extent not insured by the Federal Deposit Insurance Corporation, by any of the obligations described in clauses (i) or (iv) above having a market value (exclusive of accrued interest) of not less than the uninsured amount of such deposit or (b) (1) unsecured or (2) secured to the extent, if any, required by the Authority and in either case made with a Qualified Institution;

(viii) a certificate that evidences ownership of the right to payments of principal of or interest on obligations described in clause (i), provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under the Sales Tax Bond Trust Agreement;

(ix) a time deposit, certificate of deposit, whether negotiable or non-negotiable, and a banker's acceptance of one or more of the 50 largest banks in the United States or commercial paper issued by the parent holding company of any such bank which at the time of investment has an outstanding unsecured, uninsured and unguaranteed debt issue rated in a category equal to or higher than its unenhanced, published rating on Outstanding Sales Tax Bonds by any Rating Agency (including the Trustee and its parent holding company, if any, if it otherwise qualifies);

(x) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York which at the time of investment has an outstanding unsecured, uninsured and unguaranteed long-term debt issue or commercial paper issue rated at least in a category equal to or higher than its unenhanced, published rating on Outstanding Sales Tax Bonds by any Rating Agency (including the Trustee and its parent holding company, if any, if it otherwise qualifies), which agreement is secured by any one or more of the securities described in clause (i), (iv) or (viii) above which securities shall at all times have a market value (exclusive of accrued interest) of not less than the full amount of the repurchase agreement and be delivered to another bank or trust company organized under the laws of any state of the United States of America or any national banking association, as custodian;

(xi) an Investment Agreement;

(xii) money market funds registered under the Federal Investment Company Act of 1940, as amended, whose shares are registered under the Federal Securities Act of 1933, and having a rating in a category equal to or higher than its unenhanced, published rating on Outstanding Sales Tax Bonds by any Rating Agency;

(xiii) commercial paper, notes, bonds or other obligations of any corporation rated, at the time of investment, in a category equal to or higher than its unenhanced, published rating on Outstanding Sales Tax Bonds by any Rating Agency; and

(xiv) any other investment in which moneys of the Authority may be legally invested provided that at the time of such investment the Authority obtains written confirmation from each Rating Agency that such investment will not result in the reduction or suspension of the then existing rating on the Sales Tax Bonds by each such Rating Agency.

Liquidity Facility shall mean an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, line of credit or other agreement or arrangement issued or extended by a Qualified Institution, pursuant to which the Authority is entitled to obtain moneys upon the terms and conditions contained therein for the purchase or redemption of Sales Tax Bonds tendered for purchase or redemption in accordance with the terms of the Sales Tax Bond Trust Agreement.

Minimum Senior Debt Service Reserve Requirement shall mean as of any date of calculation for each Series of Senior Sale Tax Bonds, an amount equal to one-half of the least of (i) 10% of the original net proceeds from the sale of such Series, (ii) 125% of average annual Debt Service for such Series and (iii) the maximum amount of Debt Service due on the Senior Sales Tax Bonds of such Series in any future Fiscal Year; provided that in the case that two or more Series of Sales Tax Bonds are treated as one issue for federal tax purposes, (a) the aggregate Minimum Senior Debt Service Reserve Requirement for such Series shall not exceed the amount which would be applicable if such Series were treated as a single Series for purposes of calculating such requirement and (b) any reduction in the aggregate Minimum Senior Debt Service Reserve Requirement resulting from the limitation in clause (a) of this proviso shall be allocated pro rata among the affected Series in accordance with the ratio of the initial principal

amounts of such Series. The Estimated Average Interest Rate as of the date of issue for any Variable Interest Rate Bonds shall be used to establish Debt Service on such Senior Sales Tax Bonds for the purpose of the Minimum Senior Debt Service Reserve Requirement.

Notwithstanding the foregoing paragraph, the supplemental trust agreements authorizing the issuance of the 2016 Series A Bonds and the 2018 Series A Bonds each contains an amended definition of Minimum Senior Debt Service Reserve Requirement to which the Owners of such Sales Tax Bonds are deemed to have consented and which will take effect upon the obtaining of the consent of at least a majority in principal amount of the Senior Sales Tax Bonds Outstanding at the time such consent is given. From and after such occurrence, Minimum Senior Debt Service Reserve Requirement will mean as of any date of calculation, an amount equal to one-half of the least of (i) 10% of the original net proceeds from the sale of all Senior Sales Tax Bonds Outstanding, (ii) 125% of average annual Debt Service for all Senior Sales Tax Bonds Outstanding and (iii) the maximum amount of Debt Service due on all Senior Sales Tax Bonds Outstanding in any future Fiscal Year; the Estimated Average Interest Rate as of the date of issue for any Variable Interest Rate Bonds shall be used to establish Debt Service on such Senior Sales Tax Bonds for the purpose of the Minimum Senior Debt Service Reserve Requirement.

Notwithstanding the above, pursuant to the Twenty-Third Supplemental Trust Agreement dated as of September 1, 2009, the Minimum Senior Debt Service Reserve Fund Requirement applicable to the Senior Sales Tax Bonds, 2009 Series C (Federally Taxable - Direct Pay to Issuer - Build America Bonds) (the “2009 Series C Bonds”) shall be determined net of the Dedicated Payments designated in Section 401 thereof and shall be equal to the Minimum Senior Debt Service Reserve Requirement calculated using Senior Net Debt Service with respect to the 2009 Series C Bonds.

Minimum Subordinated Debt Service Reserve Requirement shall mean as of any date of calculation for each Series of Subordinated Sale Tax Bonds, an amount equal to one-half of the least of (i) 10% of the original net proceeds from the sale of such Series, (ii) 125% of average annual Debt Service for such Series and (iii) the maximum amount of Debt Service due on the Subordinated Sales Tax Bonds of such Series in any future Fiscal Year; provided that in the case that two or more Series of Sales Tax Bonds are treated as one issue for federal tax purposes, (a) the aggregate Minimum Subordinated Debt Service Reserve Requirement for such Series shall not exceed the amount which would be applicable if such Series were treated as a single Series for purposes of calculating such requirement and (b) any reduction in the aggregate Minimum Subordinated Debt Service Reserve Requirement resulting from the limitation in clause (a) of this proviso shall be allocated pro rata among the affected Series in accordance with the ratio of the initial principal amounts of such Series. The Estimated Average Interest Rate as of the date of issue for any Variable Interest Rate Bonds shall be used to establish Debt Service on such Subordinated Sales Tax Bonds for the purpose of the Minimum Subordinated Debt Service Reserve Requirement.

Opinion of Bond Counsel shall mean a legal opinion signed by Bond Counsel.

Outstanding, when used with reference to Sales Tax Bonds of a Series, shall mean, as of any date, Sales Tax Bonds or Bonds of such Series, theretofore or thereupon being authenticated and delivered, issued under the Sales Tax Bond Trust Agreement except:

- (i) any Sales Tax Bonds canceled by any Fiduciary at or prior to such date,
- (ii) Sales Tax Bonds (or portions of Sales Tax Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the Sales Tax Bond Trust Agreement and set aside for such payment or redemption (whether at or prior to the maturity or

redemption date), provided that if such Sales Tax Bonds (or portions of Sales Tax Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in the Sales Tax Bond Trust Agreement;

(iii) Sales Tax Bonds in lieu of or in substitution for which other Sales Tax Bonds shall have been authenticated and delivered pursuant to the Sales Tax Bond Trust Agreement unless proof satisfactory to the Trustee is presented that any such Sales Tax Bonds are held by a bona fide purchaser in due course;

(iv) Sales Tax Bonds deemed to have been paid as provided in the Sales Tax Bond Trust Agreement; and

(v) Put Bonds deemed tendered in accordance with the provisions of the Supplemental Trust Agreement authorizing such Sales Tax Bonds on the applicable adjustment or conversion date, if the purchase price thereof and interest thereon shall have been paid or amounts are available for such payment as provided in the Sales Tax Bond Trust Agreement.

For purposes of the foregoing definition, any Sales Tax Bonds which are Bank Bonds shall be deemed Outstanding only in a principal amount equal to the principal amount of the obligation then owed by the Authority thereunder regardless of the face amount of such Bank Bond.

Paying Agent shall mean any paying agent for the S

ales Tax Bonds of any Series, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Sales Tax Bond Trust Agreement.

Permitted Investments means, with respect to the investment of the proceeds of a USDOT Loan or any account established and maintained pursuant to a supplement to the Sales Bond Trust Agreement for USDOT Bonds:

(a) Government Obligations;

(b) certificates of deposit where the certificates are collaterally secured by securities of the type described in clause (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, but this collateral is not required to the extent the certificates of deposit are insured by the Government;

(c) repurchase agreements with counterparties that have an Acceptable Credit Rating, when collateralized by securities of the type described in clause (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the repurchase agreement so collateralized, including interest;

(d) investment agreements or guaranteed investment contracts rated, or with any financial institution whose senior long-term debt obligations are rated, or guaranteed by a financial institution whose senior long-term debt obligations are rated in one of the two (2) highest Rating Categories for comparable types of obligations by any Nationally Recognized Rating Agency; and

(e) money market funds that invest solely in obligations of the United States of America, its agencies and instrumentalities, and having a rating by a Nationally Recognized Rating Agency equal to the then applicable rating of the United States of America by such Nationally Recognized Rating Agency.

[Definition effective for so long as the USDOT Bonds are Outstanding.]

Person means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and any governmental entity.

Pledged Revenues shall mean the Dedicated Sales Tax, payments received by the Authority from a Provider of a Hedge Agreement that is not a Qualified Hedge and Alternate Revenues, if any.

Pledged Revenue Fund shall mean the Fund by that name established by the Sales Tax Bond Trust Agreement.

Prior Obligations shall mean debt service and other payment obligations of the Authority due and payable under financing obligations for which the Commonwealth has pledged its credit or contract assistance (defined below) or is otherwise liable or as to which the Authority has covenanted to maintain net cost of service or contract assistance (both as defined in Chapter 161A of Massachusetts General Laws as in effect prior to July 1, 2000), including without limitation the Authority's General Transportation System Bonds issued pursuant to the General Bond Resolution adopted February 15, 1967, as amended and supplemented, but excluding the Authority's \$160,000,000 of 1999 Series B Notes due September 1, 2000.

Principal Installment shall mean, as of any date of calculation and with respect to the Sales Tax Bonds of any Series, so long as any Sales Tax Bonds thereof are Outstanding, (i) the principal amount of Sales Tax Bonds (including the principal amount of any Put Bonds tendered for payment and not purchased in lieu of redemption prior to the redemption date thereof) of such Series due on a future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance (determined as provided in the Sales Tax Bond Trust Agreement) of any Sinking Fund Installments due on a future date for Sales Tax Bonds of such Series, plus the amount of the premium, if any, which would be applicable upon redemption of such Sales Tax Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Sales Tax Bonds of such Series, the sum of such principal amount of Sales Tax Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date, plus such applicable redemption premium, if any.

Provider shall mean any person or entity providing a Credit Facility, a Liquidity Facility or a Qualified Hedge Agreement with respect to any one or more Series of Sales Tax Bonds, pursuant to agreement with or upon the request of the Authority.

Put Bond shall mean a Sales Tax Bond which by its terms may be tendered by and at the option of the Owner thereof for payment by the Authority prior to the stated maturity or redemption date thereof.

Qualified Hedge Agreement shall mean a Hedge Agreement which meets the tests established by the Sales Tax Bond Trust Agreement.

Qualified Institution shall mean (i) a bank, a trust company, a national banking association, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, a corporation, a trust, a partnership, an unincorporated organization, or a government or an agency, instrumentality, program, account, fund, political subdivision or

corporation thereof, in each case the unsecured or uncollateralized long-term debt obligations of which, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such organization, at the time an Investment Agreement, Qualified Hedge Agreement, Credit Facility or Liquidity Facility is entered into by the Authority are rated in a category equal to or higher than its unenhanced, published rating on Outstanding Sales Tax Bonds by each Rating Agency which rates such obligations or (ii) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality. Pursuant to an amendment of the Trust Agreement by the Nineteenth Supplemental Trust Agreement, dated as of March 1, 2008, that certain Standby Bond Purchase Agreement provided by JPMorgan Chase Bank, National Association, or such Alternate Liquidity Facility assigned by the Rating Agencies ratings of “AA” from Standard & Poor’s Rating Group or “Aa” from Moody’s Investors Service, Inc. (without regard to gradation) is deemed to be a Liquidity Facility provided by a Qualified Institution solely for the purposes of the Authority’s Senior Sales Tax Bonds, Variable Rate Demand Obligations, 2008 Series A, consisting of 2008 Series A-1 and 2008 Series A-2.

Rating Agency shall mean each recognized rating service which maintains a published, unenhanced rating on any Outstanding Sales Tax Bonds at the request of the Authority.

Rebate Fund shall mean the Fund by that name established by the Sales Tax Bond Trust Agreement.

Rebate Fund Requirement shall mean, as of any date of calculation, an amount equal to the aggregate of the amounts, if any, specified in a certificate from an Authorized Officer of the Authority or the applicable Supplemental Trust Agreement as the amount required to be maintained in the Rebate Fund with respect to such Sales Tax Bonds.

Redemption Price shall mean, with respect to any Sales Tax Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the Sales Tax Bond Trust Agreement, but excluding accrued interest.

Refunding Bonds shall mean all Sales Tax Bonds authenticated and delivered on original issuance pursuant to the provisions under the heading “Special Provisions for Refunding Bonds.”

Residual Sales Tax shall mean for any year the greater of the Base Revenue Floor Amount and the Historic Dedicated Sales Tax Revenue Amount less the sum of (i) the estimated debt service on Prior Obligations, (ii) Senior Net Debt Service (as defined in the Sales Tax Bond Trust Agreement), (iii) Subordinated Net Debt Service (as defined in the Sales Tax Bond Trust Agreement) and (iv) debt service on any other indebtedness issued under the Sale Tax Bond Trust Agreement (other than Indebtedness) secured by a pledge of or a security interest in and payable from the Dedicated Sales Tax.

Sales Tax Bond or Bonds shall mean any bond or bonds and any Bond Anticipation Note authenticated and delivered under the Sales Tax Bond Trust Agreement.

Section 35T shall have the meaning provided in the Recitals to the Sales Tax Bond Trust Agreement.

Senior Sales Tax Bonds shall mean all Senior Sales Tax Bonds authenticated and delivered under the Sales Tax Bond Trust Agreement.

Senior Debt Service Fund shall mean the Fund by that name established by the Sales Tax Bond Trust Agreement.

Senior Debt Service Reserve Fund shall mean the Fund by that name established by the Sales Tax Bond Trust Agreement.

Senior Debt Service Reserve Requirement shall mean for each Fiscal Year the amount set forth in a certificate of an Authorized Officer of the Authority filed with the Trustee by July 1 of each year, which certificate may be modified from time to time by such Authorized Officer during such Fiscal Year; provided, however, that in no event shall the Senior Debt Service Reserve Requirement be less than the Minimum Senior Debt Service Reserve Requirement.

Senior Net Debt Service shall mean Debt Service payable on Senior Sales Tax Bonds less (i) the sum of (a) interest accrued or to accrue on such Sales Tax Bonds which is to be paid from deposits in the Senior Debt Service Fund made from the proceeds of Sales Tax Bonds in accordance with a certificate of an Authorized Officer to the Trustee, (b) additional amounts transferred to the Senior Debt Service Fund at the Authority's direction, (c) Investment Income from the Senior Debt Service Fund, the Pledged Revenue Fund, the Senior Debt Service Reserve Fund and any Account of the Bond Proceeds Fund established by Supplemental Trust Agreement and held by the Trustee transferred or to be transferred in the current Fiscal Year to or retained in the Senior Debt Service Fund and (d) Dedicated Payments deposited in the Senior Debt Service Fund pursuant to the Sales Tax Bond Trust Agreement plus (ii) Debt Service payable on Bond Anticipation Notes issued in anticipation of Senior Sales Tax Bonds net of any amounts deposited from the proceeds of such notes available in the Senior Debt Service Fund or in another account established in connection with the issuance of such notes for the payment of such Debt Service.

Series shall mean all of the Sales Tax Bonds authenticated and delivered on original issuance and designated as such by the Authority in a simultaneous transaction pursuant to the Sales Tax Bond Trust Agreement and any Sales Tax Bonds thereafter authenticated and delivered in lieu of or in substitution therefor, regardless of variations in maturity, interest rate, sinking fund, or other provisions.

Sinking Fund Installment shall mean, as of any date of calculation and with respect to any Sales Tax Bonds of a Series, so long as any Sales Tax Bonds thereof are Outstanding, the amount of money required by the applicable Supplemental Trust Agreement, to be paid on a single future date for the retirement of any Outstanding Sales Tax Bonds of said Series which mature after said date, but does not include any amount payable by the Authority by reason only of the maturity of a Sales Tax Bond.

Standby Purchase Agreement shall mean an agreement by and between the Authority and another entity pursuant to which such entity is obligated to purchase Put Bonds tendered for purchase or redeemed in lieu of purchase upon such tender.

State and Local Contribution Fund shall have the meaning provided in the Recitals to the Sales Tax Bond Trust Agreement.

Subordinated Sales Tax Bonds shall mean all Subordinated Sales Tax Bonds authenticated and delivered under the Sales Tax Bond Trust Agreement.

Subordinated Debt Service Reserve Fund shall mean the fund by that name established by the Sales Tax Bond Trust Agreement.

Subordinated Debt Service Reserve Requirement shall mean for each Fiscal Year the amount set forth in a certificate of an Authorized Officer of the Authority filed with the Trustee by July 1 of each year, which certificate may be modified from time to time by such Authorized Officer during such Fiscal

Year; provided, however, that in no event shall the Subordinated Debt Service Reserve Requirement be less than the Minimum Subordinated Debt Service Reserve Requirement.

Subordinated Debt Service Fund shall mean the fund by that name established by the Sales Tax Bond Trust Agreement.

Subordinated Net Debt Service shall mean Debt Service payable on Subordinated Sales Tax Bonds less (i) the sum of (a) interest accrued or to accrue on such Sales Tax Bonds which is to be paid from deposits in the Subordinated Debt Service Fund made from the proceeds of Sales Tax Bonds in accordance with a certificate of an Authorized Officer to the Trustee, (b) additional amounts transferred to the Subordinated Debt Service Fund at the Authority's direction, (c) Investment Income from the Subordinated Debt Service Reserve Fund, the Subordinated Debt Service Fund and any Account of the Bond Proceeds Fund established by Supplemental Trust Agreement and held by the Trustee transferred or to be transferred in the current Fiscal Year to or retained in the Subordinated Debt Service Fund and (d) Dedicated Payments deposited in the Subordinated Debt Service Fund pursuant to the Sales Tax Bond Trust Agreement plus (ii) Debt Service payable on Bond Anticipation Notes issued in anticipation of Subordinated Sales Tax Bonds net of any amounts deposited from the proceeds of such notes available in the Subordinated Debt Service Fund or in another account established in connection with the issuance of such notes for the payment of such Debt Service.

Supplemental Trust Agreement shall mean any trust agreement supplemental to or amendatory of the Trust Agreement, adopted by the Authority in accordance with the Sales Tax Bond Trust Agreement.

Trust Agreement shall mean the Sales Tax Bond Trust Agreement dated July 1, 2000 by and between the Authority and the Trustee.

Trustee shall mean the trustee appointed under the Sales Tax Bond Trust Agreement, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Sales Tax Bond Trust Agreement.

USDOT Lender shall mean the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau, or any other agent or entity of the United States, in its capacity as Owner of the USDOT Bonds. *[Definition effective for so long as the USDOT Bonds are Outstanding.]*

USDOT Bonds shall mean all Series of Subordinated Sales Tax Bonds authorized pursuant to the Trust Agreement to secure loans from the USDOT Lender and payable from the USDOT Loan Account of the Subordinated Debt Service. *[Definition effective for so long as the USDOT Bonds are Outstanding.]*

Valuation Date shall mean (i) with respect to any Capital Appreciation Bond the date or dates set forth in the applicable Supplemental Trust Agreement on which specific Accreted Values are assigned to the Capital Appreciation Bond and (ii) with respect to any Deferred Income Bond, the date or dates on or prior to the Interest Commencement Date set forth in the Supplemental Trust Agreement authorizing such Sales Tax Bond on which specific Appreciated Values are assigned to the Deferred Income Bond.

Variable Interest Rate shall mean a variable interest rate to be borne by any Sales Tax Bond. The method of computing such variable interest rate shall be specified in the Supplemental Trust Agreement authorizing such Sales Tax Bond. Such Supplemental Trust Agreement shall also specify either (i) the particular period or periods of time for which each value of such variable interest rate shall remain in

effect or (ii) the time or times upon which any change in such variable interest rate shall become effective.

Variable Interest Rate Bond shall mean a Sales Tax Bond which bears interest at a Variable Interest Rate. For purposes of any calculation hereunder. Any Variable Interest Rate Bond shall be deemed to bear interest, at all times (for which the interest rate is not yet determined) to the maturity thereof, at the Estimated Average Interest Rate applicable thereto.

The Pledge Effected by the Sales Tax Bond Trust Agreement

The Sales Tax Bonds are special obligations payable solely from the items pledged to the payment thereof pursuant to the terms of the Sales Tax Bond Trust Agreement.

[For so long as the USDOT Bonds are Outstanding:

1. There are hereby pledged for the payment, first, of the Senior Sales Tax Bonds, second, of the Subordinated Sales Tax Bonds (*first*, for the payment of the Subordinated Sales Tax Bonds other than USDOT Sales Tax Bonds and *then*, from the USDOT Loan Account of the Subordinated Debt Service Fund, for the payment of the Subordinated Sales Tax Bonds that are USDOT Bonds) and after payment of the Senior Sales Tax Bonds and Subordinated Sales Tax Bonds, as aforesaid and as the respective interests of the holders thereof may appear, in accordance with the respective terms of such Bonds and the provisions of the Sales Bond Trust Agreement, subject only to the provisions of the Sales Bond Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in the Sales Bond Trust Agreement: (i) all Pledged Revenues, (ii) Dedicated Payments allocated to Senior Sales Tax Bonds and interest earnings thereon, (iii) amounts received from the trustee under the Assessment Bond Trust Agreement in accordance with Section 504 and 506, (iv) the Deficiency Fund and the Capital Maintenance Fund including the investment, if any, thereof, and (v) all Funds and Accounts established by the Sales Bond Trust Agreement (other than the Bond Proceeds Fund while it is held and administered by the Authority, the USDOT Loan Capital Account of the Bond Proceeds Funds, the Rebate Fund, the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund), including the investments, if any, thereof.

2. Subject only to the prior pledge created for the payment of Senior Sales Tax Bonds in subsection 1 above, and on the terms and conditions set forth therein with respect to such prior pledge, the property described in clauses (i), (iii), (iv) and (v) of said subsection 1 (except moneys or Investment Obligations in the Senior Debt Service Fund or the Senior Debt Service Reserve Fund and, in the case of Subordinated Sales Tax Bonds that are USDOT Bonds, the Subordinated Debt Service Reserve Fund) are hereby further pledged, and the proceeds of the sale of Subordinated Sales Tax Bonds (other than any USDOT Bonds), Dedicated Payments allocated to Subordinated Sales Tax Bonds and interest earnings thereon, the Subordinated Debt Service Fund and, only for the Subordinated Sales Tax Bonds that are not USDOT Bonds, the Subordinated Debt Service Reserve Fund, are hereby further pledged, to the payment of the Subordinated Sales Tax Bonds.

3. Notwithstanding anything in the Sales Bond Trust Agreement to the contrary, immediately upon the occurrence of a Bankruptcy Related Event of the Authority, without any other further action being taken by any person:

- (i) the USDOT Bonds shall be deemed to constitute Senior Sales Tax Bonds for all purposes of the Sales Bond Trust Agreement;

- (ii) such USDOT Bonds shall be secured by and payable from the property described in clauses (i), (ii), (iii), (iv) and (v) of subsection (1) of the Sales Bond Trust Agreement on parity with any Senior Sales Tax Bonds then Outstanding;
- (iii) all funds on deposit in the USDOT Loan Account shall be deemed to be automatically transferred, reestablished and redesignated to the Senior Debt Service Fund; and
- (iv) the Trustee shall pay out of the Senior Debt Service Fund all amounts required to be paid in respect of the USDOT Bonds.]

[When the USDOT Bonds are no longer Outstanding:

The Sales Tax Bond Trust Agreement provides that there is pledged for the payment, first, of the Senior Sales Tax Bonds, second, of the Subordinated Sales Tax Bonds and, after payment of the Senior Sales Tax Bonds and Subordinated Sales Tax Bonds, as the respective interests of the holders thereof may appear, in accordance with the respective terms of such Bonds and the provisions of the Sales Bond Trust Agreement, subject only to the provisions of the Sales Tax Bond Trust Agreement permitting the application thereof for or to the purposes and on the terms and conditions in the Sales Tax Bond Trust Agreement and therein set forth: (i) all Pledged Revenues, (ii) Dedicated Payments allocated to the Senior Sales Tax Bonds and interest earnings thereon, (iii) amounts received from the trustee under the Sales Tax Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement, (iv) the Deficiency Fund and the Capital Maintenance Fund including the investment, if any, thereof, and (v) all Funds and Accounts established by the Sales Tax Bond Trust Agreement (other than the Bond Proceeds Fund while it is held and administered by the Authority, the Rebate Fund, the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund) including the investments, if any, thereof.

Subject only to the prior pledge created for the payment of Senior Sales Tax Bonds under the second paragraph under this heading, and on the terms and conditions set forth therein with respect to such prior pledge, the property described in clauses (i), (iii), (iv) and (v) of said paragraph (except moneys or Investment Obligations in the Senior Debt Service Fund or the Senior Debt Service Reserve Fund) are hereby further pledged, and the proceeds of the sale of Subordinated Sales Tax Bonds, Dedicated Payments allocated to Subordinated Sales Tax Bonds and interest earnings thereon, the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund are hereby further pledged, to the payment of the Subordinated Sales Tax Bonds. (*Sections 201, 501*).

Provisions for Issuance of Sales Tax Bonds

Sales Tax Bonds of one or more Series may at any time or from time to time be authenticated and delivered upon original issuance (i) to pay or provide for the payment of other Authority bonds, notes or other obligations, (ii) to refund Outstanding Sales Tax Bonds, (iii) to pay costs of the Authority in accordance with the Act, (iv) to make a deposit to the Bond Proceeds Fund, the Deficiency Fund or the Capital Maintenance Fund, including any Accounts therein, (v) in the case of Senior Sales Tax Bonds, to make a deposit to the Senior Debt Service Fund or the Senior Debt Service Reserve Fund, including any Accounts therein, (vi) in the case of Subordinated Sales Tax Bonds, to make a deposit to the Subordinated Debt Service Fund or the Subordinated Debt Service Reserve Fund, including any Accounts therein, and (vii) to pay or provide for the payment of the costs incurred in connection with the issuance of Sales Tax Bonds.

The Sales Tax Bonds of a Series authorized to be issued shall be executed by the Authority and delivered to the Trustee. Such Sales Tax Bonds shall from time to time and in such amounts as directed

by the Authority be authenticated and delivered by the Trustee to or upon the order of the Authority upon receipt of the consideration therefor and upon delivery to the Trustee of:

(1) An Opinion of Bond Counsel to the effect that (i) the Authority has the right and power under the Act to enter into the Sales Tax Bond Trust Agreement, and the Trust Agreement has been duly and lawfully approved by the Authority, and, assuming due authorization, execution and delivery by the Trustee, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for the Trust Agreement is required; (ii) the Trust Agreement creates the valid pledge of the items which it purports to pledge to the payment of the Sales Tax Bonds pursuant to the Sales Tax Bond Trust Agreement, subject to the application thereof to the purposes and on the conditions permitted by the Trust Agreement; and (iii) the Sales Tax Bonds of such Series are valid and binding special obligations of the Authority as provided in the Trust Agreement, enforceable in accordance with their terms and the terms of the Trust Agreement, and entitled to the benefit of the Trust Agreement and of the Act and such Sales Tax Bonds have been duly and validly authorized and issued in accordance with law, including the Act, and in accordance with the Trust Agreement; provided, that such Opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and may state that no opinion is being rendered as to the availability of any particular remedy;

(2) A written order as to the delivery of the Sales Tax Bonds of such Series, signed by an Authorized Officer;

(3) Copies of the Trust Agreement as amended and supplemented and of the Supplemental Trust Agreement authorizing such Series, each executed by an Authorized Officer;

(4) If any Sales Tax Bonds of such Series are Put Bonds, a Credit Facility or Liquidity Facility in such an amount as would provide sufficient moneys for the purchase or redemption of all Put Bonds of such Series if Owners thereof elected to tender for purchase or redemption the entire aggregate Outstanding principal amount of the Put Bonds of such Series;

Notwithstanding anything in the Trust Agreement to the contrary, that certain Standby Bond Purchase Agreement provided by JPMorgan Chase Bank, National Association, or such Alternate Liquidity Facility assigned by the Rating Agencies ratings of "AA" from Standard & Poor's Rating Group or "Aa" from Moody's Investors Service, Inc. (without regard to gradation) is deemed to be a Liquidity Facility provided by a Qualified Institution solely for the purposes of the Authority's Senior Sales Tax Bonds, Variable Rate Demand Obligations, 2008 Series A, consisting of 2008 Series A-1 and 2008 Series A-2.

Notwithstanding anything in the Trust Agreement to the contrary, those certain Standby Bond Purchase Agreements provided by State Street Bank and Trust Company, or such Alternate Liquidity Facility assigned by the Rating Agencies ratings of "AA" from Standard & Poor's Rating Group or "Aa" from Moody's Investors Service, Inc. (without regard to gradation) are each deemed to be a Liquidity Facility provided by a Qualified Institution solely for the purposes of the Authority's Senior Sales Tax Bonds, Variable Rate Demand Obligations, 2018 Series A, consisting of 2018 Subseries A-1 and 2018 Subseries A-2 (the "2018 Series A Bonds").

(5) A certificate of an Authorized Officer:

(i) setting forth (a) the Senior Net Debt Service for all Series of Sales Tax Bonds Outstanding immediately after such authentication and delivery for the then current and each

future Fiscal Year during which such Series of Sales Tax Bonds will be Outstanding, (b) the Combined Net Debt Service for all Series of Sales Tax Bonds Outstanding immediately after such authentication and delivery for the then current and each future Fiscal Year during which such Series of Sales Tax Bonds will be Outstanding, and (c) the aggregate estimated payments due and payable on Prior Obligations for the then current and each such future Fiscal Year;

(ii) stating that the amount on deposit in the Senior Debt Service Reserve Fund and the Subordinated Debt Service Reserve Fund (after taking into account any surety bond, insurance policy, letter of credit or other similar obligation on deposit therein) immediately after the authentication and delivery of the Sales Tax Bonds of such Series (and in the event that any Outstanding Sales Tax Bonds are then being redeemed, after such redemption) will be at least equal to the Senior Debt Service Reserve Requirement and the Subordinated Debt Service Reserve Fund Requirement, respectively, and stating that there is no overdue payment obligations to the provider of any surety bond, insurance policy, letter of credit or other obligation on deposit in the Senior Debt Service Reserve Fund;

(iii) demonstrating, for the then current and each future Fiscal Year, that the sum of the Assessment Floor Amount plus the Residual Sales Tax divided by Net Debt Service (as defined in the Assessment Bond Trust Agreement) on outstanding Assessment Bonds is equal to or greater than 1.50; and

(iv) demonstrating that:

(a) the Base Revenue Floor Amount for each Fiscal Year during which such Series of Sales Tax Bonds will be Outstanding is equal to or greater than the sum of (i) the amount set forth in clause 5(i)(b) and (ii) the amount set forth in clause 5(i)(c) for each such Fiscal Year; or

(b) the Historic Dedicated Sales Tax Revenue Amount less, for the then current and each future Fiscal Year during which such Series of Sales Tax Bonds will be Outstanding, the amount set forth in clause 5(i)(c) above, divided by, for each such Fiscal Year, the amount set forth in clauses 5(i)(a) and 5(i)(b), respectively, is equal to or greater than 2.00 and 1.50.

In the event that at the time of delivery of such certificate, any Bond Anticipation Notes are Outstanding, such certificate shall assume that there are Sales Tax Bonds Outstanding in a principal amount equal to the Outstanding Bond Anticipation Notes, which Sales Tax Bonds mature in 40 years, bear interest at the Estimated Average Rate, the Principal Installments and interest due on such Sales Tax Bonds come due in substantially equal annual payments, and are Senior Sales Tax Bonds or Subordinated Sales Tax Bonds, depending on which of the foregoing the Series was designated pursuant to the resolution authorizing such Bond Anticipation Notes in accordance with the Sales Tax Bond Trust Agreement.

(6) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Sales Tax Bonds of such Series, the Authority will not be in default in the performance of the terms and provisions of the Trust Agreement or of any of the Sales Tax Bonds. (*Section 202*).

Special Provisions for Refunding Bonds

One or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all or any portion of the Outstanding Sales Tax Bonds of a Series, in an aggregate

principal amount which will provide funds, together with other moneys available therefor, to accomplish such refunding.

The Refunding Bonds of such Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by the Sales Tax Bond Trust Agreement:

(1) If the Sales Tax Bonds to be refunded are to be redeemed, instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Sales Tax Bonds so to be refunded on a redemption date specified in such instructions, subject to the provisions of the Sales Tax Bond Trust Agreement;

(2) If the Sales Tax Bonds to be refunded are to be deemed paid within the meaning and with the effect expressed in the Sales Tax Bond Trust Agreement relating to defeasance of Sales Tax Bonds, instructions to the Trustee, satisfactory to it; and

(3) If the Sales Tax Bonds to be refunded are to be deemed paid within the meaning and with the effect expressed in the Sales Tax Bond Trust Agreement relating to defeasance of Sales Tax Bonds, (i) moneys and/or (ii) Investment Obligations as shall be necessary to comply with the Sales Tax Bond Trust Agreement, which Investment Obligations and moneys shall be held in trust and used only as provided in the Sales Tax Bond Trust Agreement;

(4) If the proceeds of such Series of Refunding Bonds are to be utilized by the Authority to purchase Sales Tax Bonds to be delivered to the Trustee in satisfaction of a Sinking Fund Installment or to defease a portion of the Sales Tax Bonds which are the subject of a Sinking Fund Installment in accordance with the Sales Tax Bond Trust Agreement, a certificate of an Authorized Officer of the Authority specifying (i) the principal amount, Series, maturity, interest rate and number of the Sales Tax Bonds to be so delivered, (ii) the date and Series of the Sinking Fund Installment in satisfaction of which such Sales Tax Bonds are to be so delivered, (iii) the aggregate principal amount of the Sales Tax Bonds to be so delivered, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of the Sales Tax Bonds to be so delivered; and

(5) Either (a) a certificate of an Authorized Officer of the Authority stating that (i) the final maturity of the Refunding Bonds is no later than the final maturity of the Sales Tax Bonds to be refunded and (ii) as a result of the issuance of the Refunding Bonds there shall be no increase in the amount of Senior Net Debt Service in any Fiscal Year and there shall be no increase in the amount of Combined Net Debt Service in any Fiscal Year; or (b) the certificate provided for in the Sales Tax Bond Trust Agreement with respect to such Series of Refunding Bonds, considering for all purposes of such certificate that (i) such Series of Refunding Bonds is either a Series of Senior Sales Tax Bonds or a Series of Subordinated Sales Tax Bonds and (ii) that the Sales Tax Bonds to be refunded are no longer Outstanding.

The proceeds, including accrued interest, of the Refunding Bonds of each such Series shall be applied simultaneously with the delivery of such Sales Tax Bonds in the manner provided in the Supplemental Trust Agreement authorizing such Sales Tax Bonds. (*Section 204*).

Bond Anticipation Notes

Whenever the Authority shall authorize the issuance of a Series of Senior Sales Tax Bonds or Subordinated Sales Tax Bonds (without necessity for the Authority to have entered into a Supplemental Trust Agreement providing for such issue or to have satisfied the conditions set forth in the Sales Tax

Bond Trust Agreement), the Authority may by resolution authorize the issuance of notes (and renewals thereof) in anticipation of the sale of such authorized Series of Sales Tax Bonds; provided, however, that in the event such authorized Series is Senior Sales Tax Bonds, the Authority may subsequently determine to issue Subordinated Sales Tax Bonds to repay the notes. The principal of and interest on such notes and renewals thereof shall be payable from the proceeds of such notes, from the proceeds of the sale of the Series of Sales Tax Bonds in anticipation of which such Notes are issued or from funds of the Authority. The proceeds of such Sales Tax Bonds may be pledged for the payment of the principal of and interest on such notes and any such pledge shall have a priority over any other pledge of such proceeds created by the Sales Tax Bond Trust Agreement. The Authority may secure the payment of the interest on such notes by a pledge that is on a parity with the pledge under the Sales Tax Bond Trust Agreement securing all Sales Tax Bonds, in which event such interest shall be payable from the Senior Debt Service Fund or Subordinated Debt Service Fund, as applicable. The Authority may also pledge the Pledged Revenues and other Authority funds to the payment of the principal of such notes, but such pledge shall be subordinate to the pledge securing the payment of the Sales Tax Bonds. A copy of the resolution of the Authority authorizing such notes, certified by an Authorized Representative of the Authority, shall be delivered to the Trustee following its adoption. The aggregate principal amount of notes issued under this heading which may be Outstanding at any time shall be limited as and to the extent provided in the Act. (Section 205).

Additional Obligations

The Authority reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness or to enter into a hedge agreement pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness or provider of the hedge agreement is not, except as provided in the Sales Tax Bond Trust Agreement, entitled to a charge or lien or right with respect to the Pledged Revenues or the Funds and Accounts created hereby or pursuant hereto. Notwithstanding the foregoing, the Authority may by Supplemental Resolution issue bonds, notes or any other obligations or enter into a hedge agreement entitled to a charge or lien or right with respect to the Pledged Revenue or the Funds and Accounts under the Sales Tax Bond Trust Agreement, so long as amounts payable on such obligations or under such agreement shall be payable after the deposits set forth in the Sales Tax Bond Trust Agreement. (Section 206).

Hedging Transactions

A Hedge Agreement is a Qualified Hedge Agreement if (i) the Provider of the Hedge Agreement is a Qualified Institution or the Provider's obligations under the Hedge Agreement are unconditionally guaranteed by a Qualified Institution and (ii) the Authority designates it as such by Certificate of an Authorized Officer.

If the Authority shall enter into any Qualified Hedge Agreement with respect to any Sales Tax Bonds and the Authority has made a determination that the Qualified Hedge Agreement was entered into for the purpose of hedging or managing the interest due with respect to those Sales Tax Bonds then during the term of the Qualified Hedge Agreement and so long as the Provider of the Qualified Hedge Agreement is not in default:

(1) for purposes of any calculation of Debt Service, the interest rate on the Sales Tax Bonds with respect to which the Qualified Hedge Agreement applies shall be determined as if such Sales Tax Bonds had interest payments equal to the interest payable on those Sales Tax Bonds less any payments reasonably expected to be made to the Authority by the Provider and plus any payments reasonably expected to be made by the Authority to the Provider in accordance with the terms of the Qualified Hedge

Agreement (other than fees or termination payments payable to such Provider for providing the Qualified Hedge Agreement);

(2) any such payments (other than fees and termination payments) required to be made by the Authority to the Provider pursuant to such Qualified Hedge Agreement shall be made from amounts on deposit in the Senior Debt Service Fund or Subordinated Debt Service Fund, as applicable;

(3) any such payments received by or for the account of the Authority from the Provider pursuant to such Qualified Hedge Agreement shall be deposited in the Senior Debt Service Fund or Subordinated Debt Service Fund, as applicable;

(4) fees and termination payments, if any, payable to the Provider pursuant to such Qualified Hedge Agreement, other than solely as a result of an event of default with respect to the Provider or event affecting the Provider, shall be paid from amounts on deposit in the General Fund; and

(5) fees and termination payments, if any, payable to the Provider pursuant to such Qualified Hedge Agreement solely as a result of an event of default with respect to the Provider or event affecting the Provider shall be a general unsecured obligation of the Authority.

If the Authority shall enter into a Hedge Agreement that is not a Qualified Hedge Agreement, then:

(1) the interest rate adjustments or assumptions referred to in clause (1) under this heading shall not be made;

(2) any and all payments required to be made by the Authority to the Provider pursuant to such Hedge Agreement, other than solely as a result of an event of default with respect to the Provider or event affecting the Provider, may be made be paid from amounts on deposit in the General Fund if and to the extent expressly provided in the Hedge Agreement; and

(3) fees and termination payments payable to the Provider solely as a result of an event of default with respect to the Provider or event affecting the Provider and, if not expressly provided in the Hedge Agreement to be paid from amounts on deposit in the General Fund, other payments required to be made by the Authority to the Provider under the Hedge Agreement shall be a general unsecured obligation of the Authority. (*Section 104*).

Redemption of Sales Tax Bonds

Sales Tax Bonds subject to redemption prior to maturity pursuant to a Supplemental Trust Agreement shall be redeemable, upon notice as provided in the Sales Tax Bond Trust Agreement, at such times, at such Redemption Prices and upon such terms as may be specified in the Sales Tax Bond Trust Agreement or in the Supplemental Trust Agreement authorizing such Series.

In the case of any redemption of Sales Tax Bonds otherwise than as provided in the third paragraph under this heading, the Authority shall give written notice to the Trustee of its election so to redeem, of the redemption date, of the Series, and of the principal amounts of the Sales Tax Bonds of each maturity of such Series to be redeemed (which Series, maturities and principal amounts thereof to be redeemed shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in any Supplemental Trust Agreement). Such notice shall be given at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee.

Whenever by the terms of the Sales Tax Bond Trust Agreement or a Supplemental Trust Agreement, Sales Tax Bonds are required to be redeemed otherwise than at the election of the Authority, the Authority may, subject to the provision of any related Supplemental Trust Agreement, select the Series of Sales Tax Bonds, the principal amounts of the Sales Tax Bonds of each maturity of such Series to be redeemed and, except in the case of mandatory sinking fund redemption, of the amount of such Sinking Fund Installment, if applicable, within such maturity to be redeemed (which Series, maturities and principal amounts thereof to be redeemed and Sinking Fund Installments shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in the Sales Tax Bond Trust Agreement or a Supplemental Trust Agreement) and in the event the Authority does not notify the Trustee of such Series, maturities and principal amounts to be redeemed on or before the 45th day preceding the redemption date, the Trustee shall select the Sales Tax Bonds to be redeemed, give the notice of redemption and apply the moneys available therefor to redeem on the redemption date at the Redemption Price therefor, together with accrued interest to the redemption date, all of the Sales Tax Bonds to be redeemed.

In the event of redemption of less than all of the Outstanding Sales Tax Bonds of like maturity of any Series shall be called for prior redemption, the particular Sales Tax Bonds or portions of Sales Tax Bonds to be redeemed shall be selected by the Trustee by lot, or in such other manner as the Trustee in its discretion may deem fair and appropriate subject to any limitation with respect thereto contained in the applicable Supplemental Trust Agreement. For purposes of the provisions under this heading, the minimum denomination of a Capital Appreciation Bond shall be the lowest Accreted Value authorized to be due at maturity on such Sales Tax Bonds, and the minimum denomination of a Deferred Income Bond shall be the lowest Appreciated Value on the Interest Commencement Date authorized for such Sales Tax Bonds.

Notice of the call for any redemption of Sales Tax Bonds prior to maturity shall be given as provided in the applicable Supplemental Trust Agreement. (*ARTICLE IV*).

Establishment of Funds and Accounts

The following Funds and Accounts, which shall be held and administered by the Trustee, are hereby established:

- (1) Pledged Revenue Fund;
- (2) Senior Debt Service Fund;
- (3) Senior Debt Service Reserve Fund;

[For so long as the USDOT Bonds are Outstanding:

- (4) Subordinated Debt Service Fund, including the USDOT Loan Account established by the Thirty-Seventh Supplemental Trust Agreement (unless a Bankruptcy Related Event shall have occurred); and]

[When the USDOT Bonds are no longer Outstanding:

- (5) Subordinated Debt Service Fund; and]
- (5) Subordinated Debt Service Reserve Fund.

Amounts held at any time by the Trustee in any of the Funds and Accounts established pursuant to the provisions under this heading or under the Bond Proceeds Fund pursuant to a Supplemental Trust Agreement shall be held in trust for the Owners of the Sales Tax Bonds separate and apart from all other funds of the Trustee, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Sales Tax Bond Trust Agreement.

The following Funds and Accounts, which shall be held and administered by the Authority, are hereby established:

(1) Bond Proceeds Fund, which shall include the Capital Account and such other Accounts as the Authority may create by Supplemental Trust Agreement; and

(2) Rebate Fund.

Amounts held at any time by the Authority in any of the Funds and Accounts established pursuant to the provisions under this heading shall be held in trust separate and apart from all other funds of the Authority for the benefit of the Owners of Sales Tax Bonds, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Sales Tax Bond Trust Agreement. Additional funds, accounts or subaccounts may be created for other purposes by any Supplemental Trust Agreement. Notwithstanding the foregoing, the Authority by Supplemental Trust Agreement authorizing a Series of Sales Tax Bonds may designate that one or more Accounts in the Bond Proceeds Fund created by such Supplemental Trust Agreement be held and administered by the Trustee and pledged to the Owners of the Sales Tax Bonds. (*Section 502 and Section 302 of the Fourth Supplemental Trust Agreement*).

Bond Proceeds Fund

The Authority shall deposit into the Bond Proceeds Fund the net proceeds of all Sales Tax Bonds, other than Refunding Bonds, issued for direct expenditures to be made by the Authority, which net proceeds shall be in the amount and applied as set forth in the applicable Supplemental Trust Agreement. (*Section 503*).

Pledged Revenue Fund and Application Thereof

The Authority shall, immediately following the execution of the Sales Tax Bond Trust Agreement, transfer to the Trustee for payment into the Pledged Revenue Fund all Pledged Revenues as received, except Investment Income required by the terms hereof to be deposited in another Fund or Account. Amounts in the Pledged Revenue Fund shall be deposited in, or credited to, as appropriate, on the last Business Day of the month in which the first such amounts are deposited in the Pledged Revenue Fund and on or before the last Business Day of each month thereafter, the following Funds and Accounts, in the amounts and in the order and priority, as follows:

(1) Into the Senior Debt Service Fund, the amount, if any, required so that the balance in said Fund shall equal the Senior Net Debt Service and the fees and charges related to Credit Facilities, Liquidity Facilities, and Qualified Hedge Agreements entered into in connection with Senior Sales Tax Bonds accrued or accruing prior to the last Business Day of the next succeeding month;

(2) Into the Senior Debt Service Reserve Fund, the amount, if any, required for such Fund, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to the Sales Tax Bond Trust Agreement and subject to the provisions of the Sales Tax Bond Trust Agreement, to equal the Senior Debt Service Reserve Requirement as of the last

day of the then current month; provided, however, that the provisions of the sixth paragraph under the heading "Senior Debt Service Reserve Fund" shall govern any replenishment required after a withdrawal from such Fund;

[For so long as the USDOT Bonds are Outstanding:

(3) For so long as the USDOT Bonds are Outstanding (a) *first*, into the Subordinated Debt Service Fund, the amount, if any, required so that the balance in said Fund shall equal the Subordinated Net Debt Service (excluding, for the purpose of such calculation, Debt Service payable on any USDOT Bonds) and the fees and charges related to Credit Facilities, Liquidity Facilities and Qualified Hedge Agreements entered into in connection with Subordinated Sales Tax Bonds (other than any USDOT Sales Tax Bonds) accrued or accruing prior to the last Business Day of the next succeeding month, and (b) *second*, into the USDOT Loan Account within the Subordinated Debt Service Fund, the amount, if any, required so that the balance in the USDOT Loan Account shall equal the amount of Debt Service payable on any USDOT Bonds accrued or accruing prior to the last Business Day of the next succeeding month;]

[When the USDOT Bonds are no longer Outstanding:

(3) Into the Subordinated Debt Service Fund, the amount, if any, required so that the balance in said Fund shall equal the Subordinated Net Debt Service and the fees and charges related to Credit Facilities, Liquidity Facilities and Qualified Hedge Agreements entered into in connection with Subordinated Sales Tax Bonds accruing prior to the last Business Day of the next succeeding month;]

(4) Into the Subordinated Debt Service Reserve Fund, the amounts, if any, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to the Sales Tax Bond Trust Agreement and subject to the provisions of the Sales Tax Bond Trust Agreement, to equal the Subordinated Debt Service Reserve Requirement as of the last day of the then current month; provided, however, that the provisions of the Sales Tax Bond Trust Agreement shall govern any replenishment required after a withdrawal from such Fund;

(5) To the Authority for credit to the Rebate Fund, notwithstanding any other provisions of the Sales Tax Bond Trust Agreement, such Pledged Revenues at such times and in such amounts as shall be set forth in a certificate of an Authorized Officer;

(6) If the Trustee shall have received a certificate from the trustee under the Assessment Bond Trust Agreement in accordance with the Assessment Bond Trust Agreement, to such trustee the amount set forth in such certificate;

(7) To the applicable trustee or custodian for Prior Obligations, the amount set forth in a certificate of an Authorized Officer for the payment of Prior Obligations;

(7A) To pay the provider of any surety bond, insurance policy, letter of credit or other similar obligation held on the Senior Debt Service Reserve Fund outstanding interest and expenses on amounts advanced under such obligation in accordance with the terms thereof;

(8) To the General Fund, the amount set forth in a certificate of an Authorized Officer for the payment of certain amounts under Hedge Agreements; and

(9) To the Authority, the moneys remaining on deposit in the Pledged Revenue Fund after making the foregoing deposits.

Notwithstanding the foregoing, in the event that by April 1 of any year, commencing April 1, 2001, the Authority is otherwise unable to make the certification required under Section 35T that it has made provision in its annual budget under the Act for sufficient amounts to be available in the next Fiscal Year to meet the Prior Obligations without changing the priority of payment of the Prior Obligations in accordance with this sentence, the deposit required pursuant to clause (7) above shall be made prior to the deposit required pursuant to clause (1) during the following Fiscal Year; provided, however, that if during such Fiscal Year the Authority shall adopt a supplemental budget which would permit the Authority to be able to make such certification without changing such priority as aforesaid, the deposit required pursuant to clause (7) shall not be required to be paid prior to the deposit under clause (1) for the remainder of such Fiscal Year.

In determining the amounts to be transferred to the Authority for deposit in the Funds and Accounts held by the Authority, the Trustee may rely exclusively on a certificate of an Authorized Officer setting forth such amounts, which certificate shall be timely provided to the Trustee by the Authority.

Notwithstanding anything in the Trust Agreement to the contrary, in the event that the Dedicated Sales Tax to be credited by the Commonwealth to the State and Local Contribution Fund in a particular month is delayed to a subsequent month, such amounts may be deposited or credited to the Funds and Account as set forth in the Trust Agreement, at any time, upon the direction of the Authority.

Rebate Fund

Upon the issuance, sale and delivery of any Series of Sales Tax Bonds subject to the Rebate Fund Requirement, there shall be established in the Rebate Fund a separate account for such Series. Funds on deposit in the Rebate Fund shall be applied as set forth in the applicable Supplemental Trust Agreement or a certificate of an Authorized Officer. Unless otherwise specified in the applicable Supplemental Trust Agreement or certificate of an Authorized Officer, interest or other income derived from the investment or deposit of moneys in the Rebate Fund shall be retained in the Rebate Fund. (*Section 505*).

Senior Debt Service Fund

The Trustee shall pay out of the Senior Debt Service Fund to the respective Paying Agents (i) on or before each interest payment date for any of the Senior Sales Tax Bonds, the amount required for the interest payable on such date; (ii) on or before each Principal Installment due date, the amount required for the Principal Installment for Senior Sales Tax Bonds payable on such due date; and (iii) on or before any redemption date for the Senior Sales Tax Bonds, the amount required for the payment of the Redemption Price of and interest on the Senior Sales Tax Bonds then to be redeemed; provided, however, that if with respect to any Series of Senior Sales Tax Bonds or portions thereof the amounts due on any such interest payment date and/or Principal Installment due date and/or redemption date are intended to be paid from a source other than amounts in the Senior Debt Service Fund prior to any application of amounts in the Senior Debt Service Fund to such payments, the Trustee shall not pay any such amounts to the Paying Agent until such amounts have failed to be provided from such other source at the time required and, if any such amounts due are paid from such other source, the Trustee shall apply the amounts in the Senior Debt Service Fund to provide reimbursement for such payment from such other source, as provided in the agreement governing reimbursement of such amounts to such other source. Such amounts shall be applied by the Paying Agents on and after the due dates thereof. The Trustee shall also pay out of the Senior Debt Service Fund (i) the accrued interest included in the purchase price of Senior Sales Tax Bonds purchased for retirement and (ii) upon written instruction of the Authority, any fees and charges related to Credit Facilities, Liquidity Facilities and Qualified Hedge Agreements with respect to Senior Sales Tax Bonds.

The amount, if any, deposited in the Senior Debt Service Fund from the proceeds of each Series of Senior Sales Tax Bonds shall be set aside in such Fund and applied to the payment of interest on Senior Sales Tax Bonds as provided in the Supplemental Trust Agreement relating to the issuance of such Series of Senior Sales Tax Bonds.

In the event the amount on deposit in the Senior Debt Service Fund shall be less than the requirement of such Fund pursuant to the Sales Tax Bond Trust Agreement, the Trustee shall provide a certificate to the Authority and the trustee under the Assessment Bond Trust Agreement setting forth the amount of the shortfall and shall receive such amount (to the extent available) from the Pledged Revenue Fund under the Assessment Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement.

In the event of the refunding of any Senior Sales Tax Bonds, the Authority may direct the Trustee to withdraw from the Senior Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Senior Sales Tax Bonds being refunded and deposit such amounts in a separate account with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, of and interest on the Senior Sales Tax Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter Senior Sales Tax Bonds being refunded shall be deemed to have been paid pursuant to the Sales Tax Bond Trust Agreement, and (b) the amount remaining in the Senior Debt Service Fund, after giving effect to the issuance of Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Fund pursuant to the Sales Tax Bond Trust Agreement. In the event of such refunding, the Authority may also direct the Trustee to withdraw from the Senior Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Senior Sales Tax Bonds being refunded and deposit such amounts in any Fund or Account under the Sales Tax Bond Trust Agreement; provided, however, that such withdrawal shall not be made unless clauses (a) and (b) referred to hereinabove have been satisfied and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under the Sales Tax Bond Trust Agreement (other than the Fund or Account into which such amount is being transferred). (*Section 506*).

Senior Debt Service Reserve Fund

If on the last Business Day of any month the amount in the Senior Debt Service Fund shall be less than the amount required to be in such Fund pursuant to paragraph (1) under the heading “Pledged Revenue Fund and Application thereof”, after deposit of any funds received from the Assessment Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement, the Trustee shall transfer to the Senior Debt Service Fund amounts from the Senior Debt Service Reserve Fund equal to the deficiency.

Whenever the moneys on deposit in the Senior Debt Service Reserve Fund shall exceed the Senior Debt Service Reserve Requirement, such excess may be, in the discretion of the Authority, transferred by the Trustee to the Senior Debt Service Fund or, if approved by an Opinion of Bond Counsel, to any Fund or Account specified by the Authority.

Whenever the amount in the Senior Debt Service Reserve Fund, together with the amount in the Senior Debt Service Fund, is sufficient to pay in full all Outstanding Senior Sales Tax Bonds in accordance with their terms (including principal or applicable Sinking Fund Installments thereof and interest thereon), the amounts on deposit in the Senior Debt Service Reserve Fund may, in the discretion of the Authority, be transferred to the Senior Debt Service Fund. Prior to said transfer, all investments held in the Senior Debt Service Reserve Fund shall be liquidated to the extent necessary in order to provide for the timely payment of principal or Redemption Price and interest on Senior Sales Tax Bonds.

In lieu of the required deposits and transfers to the Senior Debt Service Reserve Fund or as a replacement or substitution for any moneys or Investment Obligations then on deposit in the Senior Debt Service Reserve Fund, the Authority may at any time cause to be deposited into the Senior Debt Service Reserve Fund for the benefit of the Owners of the Senior Sales Tax Bonds a surety bond, an insurance policy, a letter of credit or other similar obligation (and may replace such surety bond, insurance policy, letter of credit or similar obligation from time to time) providing for payments in an amount equal to the difference between the Senior Debt Service Reserve Requirement and the sums, if any, then on deposit in the Senior Debt Service Reserve Fund or being deposited in the Senior Debt Service Reserve Fund concurrently with such surety bond, insurance policy, letter of credit or other similar obligation. The surety bond, insurance policy, letter of credit or other similar obligation shall be payable (upon the giving of notice as required thereunder) on any date on which moneys will be required to be withdrawn from the Senior Debt Service Reserve Fund and applied to the payment of a Principal Installment of or interest on any Senior Sales Tax Bonds and such withdrawal cannot be met by moneys and Investment Obligations on deposit in the Senior Debt Service Reserve Fund. To the extent there is on deposit in the Senior Debt Service Reserve Fund more than one surety bond, insurance policy, letter of credit or other similar obligation, the Trustee shall draw upon such obligations pro rata following the withdrawal of moneys and Investment Obligations on deposit therein. The insurer providing such surety bond or insurance policy shall be an insurer (i) whose municipal bond insurance policies, at the time of issue of such surety bond or insurance policy, insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in a category equal to or higher than its unenhanced, published rating on Outstanding Sales Tax Bonds by any Rating Agency or (ii) who holds the highest policy-holder rating accorded insurers by any Rating Agency. The letter of credit issuer shall be a bank or trust company which at the time of issuance of the letter of credit has an outstanding, unsecured, uninsured and unguaranteed debt issue rated in a category equal to or higher than its unenhanced, published rating on Outstanding Sales Tax Bonds by any Rating Agency. If a disbursement is made pursuant to a surety bond, an insurance policy, a letter of credit or other similar obligation provided pursuant to this paragraph, the Authority shall be obligated, but only from the sources of payment specified in the Sales Tax Bond Trust Agreement, either (i) to reinstate the maximum limits of such surety bond, insurance policy, letter of credit or other similar obligation, (ii) to deposit into the Senior Debt Service Reserve Fund, funds in the amount of the disbursement made under such surety bond, insurance policy, letter of credit or other similar obligation, (iii) to promptly deposit into the Senior Debt Service Reserve Fund a different surety bond, insurance policy, letter of credit or other similar obligations having a maximum limit equal to the amount of the disbursement made under the existing surety bond, insurance policy, letter of credit or other similar obligation, or (iv) to utilize any combination of the alternatives set forth in clauses (i), (ii) or (iii) above as shall provide that the amount in the Senior Debt Service Reserve Fund equals the Senior Debt Service Reserve Requirement. Subject to the provisions of the sixth paragraph under this heading, moneys and Investment Obligations on deposit in the Senior Debt Service Reserve Fund may, if required by the terms of any surety bond, letter of credit or other similar obligation, be utilized by the Authority to repay any drawings on such surety bond, letter of credit or other similar obligation, but only if such repayment will result in a reinstatement of the amount available to be drawn under such surety bond, letter of credit or other similar obligation in an amount at least equal to the amount of such repayment. Notwithstanding the foregoing and anything in the Sales Tax Bond Trust Agreement to the contrary, any funds deposited to restore the Senior Debt Service Reserve Fund shall be applied to reinstate any surety bond, insurance policy, letter of credit or other similar obligation prior to depositing additional moneys and Investment Obligations therein.

In the event of the refunding of any Senior Sales Tax Bonds, the Authority may direct the Trustee to withdraw from the Senior Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to the Senior Sales Tax Bonds being refunded and deposit such amounts with the Trustee in a separate account to be held for the payment of the principal or Redemption Price, if

applicable, and interest on the Senior Sales Tax Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter the Senior Sales Tax Bonds being refunded shall be deemed to have been paid pursuant to the Sales Tax Bond Trust Agreement, and (b) the amount remaining in the Senior Debt Service Reserve Fund, after giving effect to the issuance of any Refunding Bonds and the disposition of the proceeds thereof and to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to the Sales Tax Bond Trust Agreement, shall not be less than the Senior Debt Service Reserve Requirement. In the event of such refunding, the Authority may also direct the Trustee to withdraw from the Senior Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to Senior Debt Service on the Senior Sales Tax Bonds being refunded and deposit such amounts in any Fund or Account under the Sales Tax Bond Trust Agreement; provided, however, that such withdrawal shall not be made unless items (a) and (b) referred to hereinabove have been satisfied.

Regardless of the provisions of the Sales Tax Bond Trust Agreement, in the event that at any time the amount on deposit in the Senior Debt Service Reserve Fund, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to the Sales Tax Bond Trust Agreement, shall be less than the Senior Debt Service Reserve Requirement as a result of any withdrawal from said Fund or as a result of the valuation of such Fund performed in accordance with the Sales Tax Bond Trust Agreement, the Authority shall restore the amount on deposit in the Senior Debt Service Reserve Fund, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in said Fund pursuant to the Sales Tax Bond Trust Agreement, to the Senior Debt Service Reserve Requirement, in the case of restoration after a withdrawal in twelve (12) equal monthly installments commencing within ninety (90) days of such withdrawal, and in the case of restoration as a result of valuation in six (6) equal monthly installments commencing thirty (30) days after such valuation. (*Section 507*).

Subordinated Debt Service Fund

The Trustee shall pay out of the Subordinated Debt Service Fund to the respective Paying Agents (i) on or before each interest payment date for any of the Subordinated Sales Tax Bonds, the amount required for the interest payable on such date; (ii) on or before each Principal Installment due date, the amount required for the Principal Installment for Subordinated Sales Tax Bonds payable on such due date; and (iii) on or before any redemption date for the Subordinated Sales Tax Bonds, the amount required for the payment of the Redemption Price of and interest on the Subordinated Sales Tax Bonds then to be redeemed; provided, however, that if with respect to any Series of Subordinated Sales Tax Bonds or portions thereof the amounts due on any such interest payment date and/or Principal Installment due date and/or redemption date are intended to be paid from a source other than amounts in the Subordinated Debt Service Fund prior to any application of amounts in the Subordinated Debt Service Fund to such payments, the Trustee shall not pay any such amounts to the Paying Agent until such amounts have failed to be provided from such other source at the time required and, if any such amounts due are paid from such other source, the Trustee shall apply the amounts in the Subordinated Debt Service Fund to provide reimbursement for such payment from such other source, as provided in the agreement governing reimbursement of such amounts to such other source. Such amounts shall be applied by the Paying Agents on and after the due dates thereof. The Trustee shall also pay out of the Subordinated Debt Service Fund (i) the accrued interest included in the purchase price of Subordinated Sales Tax Bonds purchased for retirement and (ii) upon written instruction of the Authority, any fees and charges related to Credit Facilities, Liquidity Facilities and Qualified Hedge Agreements with respect to Subordinated Sales Tax Bonds. For so long as the USDOT Bonds are Outstanding, the Trustee shall pay out of the USDOT Loan Account within the Subordinated Debt Service Fund all amounts required to be paid in respect of the USDOT Bonds. [*Last sentence effective so long as the USDOT Bonds are Outstanding.*].

The amount, if any, deposited in the Subordinated Debt Service Fund from the proceeds of each Series of Subordinated Sales Tax Bonds shall be set aside in such Fund and applied to the payment of interest on Subordinated Sales Tax Bonds as provided in the Supplemental Trust Agreement relating to the issuance of such Series of Subordinated Sales Tax Bonds.

In the event the amount on deposit in the Subordinated Debt Service Fund shall be less than the requirement of such Fund pursuant to the Sales Tax Bond Trust Agreement, the Trustee shall provide a certificate to the Authority and the trustee under the Assessment Bond Trust Agreement setting forth the amount of the shortfall and shall receive such amount (to the extent available) from the Pledged Revenue Fund under the Assessment Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement.

In the event of the refunding of any Subordinated Sales Tax Bonds, the Authority may direct the Trustee to withdraw from the Subordinated Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Subordinated Debt Service on the Subordinated Sales Tax Bonds being refunded and deposit such amounts in a separate account with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, of and interest on the Subordinated Sales Tax Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter Subordinated Sales Tax Bonds being refunded shall be deemed to have been paid pursuant to the Sales Tax Bond Trust Agreement, and (b) the amount remaining in the Subordinated Debt Service Fund, after giving effect to the issuance of Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Fund pursuant to the Sales Tax Bond Trust Agreement. In the event of such refunding, the Authority may also direct the Trustee to withdraw from the Subordinated Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Subordinated Sales Tax Bonds being refunded and deposit such amounts in any Fund or Account under the Sales Tax Bond Trust Agreement; provided, however, that such withdrawal shall not be made unless clauses (a) and (b) referred to hereinabove have been satisfied and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under the Sales Tax Bond Trust Agreement (other than the Fund or Account into which such amount is being transferred). (*Section 508*).

Subordinated Debt Service Reserve Fund

If on the last Business Day of any month the amount in the Subordinated Debt Service Fund shall be less than the amount required to be in such Fund pursuant to the Sales Tax Bond Trust Agreement, after deposit of any funds received from the Assessment Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement, the Trustee shall transfer to the Subordinated Debt Service Fund amounts from the Subordinated Debt Service Reserve Fund equal to the deficiency.

Whenever the moneys on deposit in the Subordinated Debt Service Reserve Fund shall exceed the Subordinated Debt Service Reserve Requirement, such excess may, in the discretion of the Authority, be transferred by the Trustee to the credit of the Subordinated Debt Service Fund or, if approved by an Opinion of Bond Counsel, to any Fund or Account specified by the Authority.

Whenever the amount in the Subordinated Debt Service Reserve Fund, together with the amount in the Subordinated Debt Service Fund, is sufficient to pay in full all Outstanding Sales Tax Bonds in accordance with their terms (including principal or applicable Sinking Fund Installments thereof and interest thereon), the amounts on deposit in the Subordinated Debt Service Reserve Fund may in the Authority's discretion be transferred to the Subordinated Debt Service Fund. Prior to said transfer, all investments held in the Subordinated Debt Service Reserve Fund shall be liquidated to the extent

necessary in order to provide for the timely payment of principal or Redemption Price and interest on Subordinated Sales Tax Bonds.

In lieu of the required deposits and transfers to the Subordinated Debt Service Reserve Fund or as a replacement or substitution for any moneys or Investment Obligations then on deposit in the Subordinated Debt Service Reserve Fund, the Authority may at any time cause to be deposited into the Subordinated Debt Service Reserve Fund for the benefit of the Owners of the Subordinated Sales Tax Bonds a surety bond, an insurance policy, a letter of credit or other similar obligation (and may replace such surety bond, insurance policy, letter of credit or similar obligation from time to time) providing for payments in an amount equal to the difference between the Subordinated Debt Service Reserve Requirement and the sums, if any, then on deposit in the Subordinated Debt Service Reserve Fund or being deposited in the Subordinated Debt Service Reserve Fund concurrently with such surety bond, insurance policy, letter of credit or other similar obligation. The surety bond, insurance policy, letter of credit or other similar obligation shall be payable (upon the giving of notice as required thereunder) on any date on which moneys will be required to be withdrawn from the Subordinated Debt Service Reserve Fund and applied to the payment of a Principal Installment of or interest on any Subordinated Sales Tax Bonds and such withdrawal cannot be met by moneys and Investment Obligations on deposit in the Subordinated Debt Service Reserve Fund. The insurer providing such surety bond or insurance policy shall be an insurer (i) whose municipal bond insurance policies, at the time of issue of such surety bond or insurance policy, insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in a category equal to or higher than its unenhanced, published rating on Outstanding Sales Tax Bonds by any Rating Agency or (ii) who holds the highest policy-owner rating accorded insurers by a nationally recognized insurance rating agency. The letter of credit issuer shall be a bank or trust company which at the time of issuance of the letter of credit has an outstanding, unsecured, uninsured and unguaranteed debt issue rated in a category equal to or higher than its unenhanced, published rating on Outstanding Sales Tax Bonds by any Rating Agency. If a disbursement is made pursuant to a surety bond, an insurance policy, a letter of credit or other similar obligation provided pursuant to this paragraph, the Authority shall be obligated, but only from the sources of payment specified in the Sales Tax Bond Trust Agreement, either (i) to reinstate the maximum limits of such surety bond, insurance policy, letter of credit or other similar obligation, (ii) to deposit into the Subordinated Debt Service Reserve Fund, funds in the amount of the disbursement made under such surety bond, insurance policy, letter of credit or other similar obligation, (iii) to promptly deposit into the Subordinated Debt Service Reserve Fund a different surety bond, insurance policy, letter of credit or other similar obligations having a maximum limit equal to the amount of the disbursement made under the existing surety bond, insurance policy, letter of credit or other similar obligation, or (iv) to utilize any combination of the alternatives set forth in clauses (i), (ii) or (iii) above as shall provide that the amount in the Subordinated Debt Service Reserve Fund equals the Subordinated Debt Service Reserve Requirement. Subject to the provisions of the last paragraph under this heading, moneys and Investment Obligations on deposit in the Subordinated Debt Service Reserve Fund may, if required by the terms of any surety bond, letter of credit or other similar obligation, be utilized by the Authority to repay any drawings on such surety bond, letter of credit or other similar obligation, but only if such repayment will result in a reinstatement of the amount available to be drawn under such surety bond, letter of credit or other similar obligation in an amount at least equal to the amount of such repayment.

In the event of the refunding of any Subordinated Sales Tax Bonds, the Authority may direct the Trustee to withdraw from the Subordinated Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to the Subordinated Sales Tax Bonds being refunded and deposit such amounts with the Trustee in a separate account to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Subordinated Sales Tax Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter the Subordinated Sales Tax Bonds being refunded shall be deemed to have been paid pursuant to the Sales Tax Bond Trust Agreement, and (b) the

amount remaining in the Subordinated Debt Service Reserve Fund, after giving effect to the issuance of any Refunding Bonds and the disposition of the proceeds thereof and to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to the Sales Tax Bond Trust Agreement, shall not be less than the Subordinated Debt Service Reserve Requirement. In the event of such refunding, the Authority may also direct the Trustee to withdraw from the Subordinated Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to Subordinated Debt Service on the Subordinated Sales Tax Bonds being refunded and deposit such amounts in any Fund or Account under the Sales Tax Bond Trust Agreement; provided, however, that such withdrawal shall not be made unless items (a) and (b) referred to hereinabove have been satisfied.

Regardless of the provisions of the Sales Tax Bond Trust Agreement, in the event that at any time the amount on deposit in the Subordinated Debt Service Reserve Fund, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to the Sales Tax Bond Trust Agreement, shall be less than the Subordinated Debt Service Reserve Requirement as a result of any withdrawal from said Fund or as a result of the valuation of such Fund performed in accordance with the Sales Tax Bond Trust Agreement, the Authority shall restore the amount on deposit in the Subordinated Debt Service Reserve Fund, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in said Fund pursuant to the Sales Tax Bond Trust Agreement, to the Subordinated Debt Service Reserve Requirement, in the case of restoration after withdrawal in twelve (12) equal monthly installments commencing within ninety (90) days of such withdrawal, and in the case of restoration as a result of valuation in six (6) equal monthly installments commencing thirty (30) days after such valuation.

Notwithstanding anything in the Sales Tax Bond Trust Agreement to the contrary, all references to Subordinated Sales Tax Bonds and Sales Tax Bonds in the Sales Tax Bond Trust Agreement shall not include Subordinated Sales Tax Bonds payable from amounts on deposit in the USDOT Loan Account of the Subordinated Debt Service Fund; provided that the foregoing shall cease to apply upon the occurrence of a Bankruptcy Related Event of the Authority, without any other further action being taken by any person. *[Subsection 509(7) effective so long as the USDOT Bonds are Outstanding.] (Section 509).*

General Fund

If, on the last Business Day of any month, the amount in the Senior Debt Service Fund shall be less than the amount required to be deposited therein on such date, the amount in the Senior Debt Service Reserve Fund shall be less than the Senior Debt Service Reserve Requirement, the amount in the Subordinated Debt Service Fund shall be less than the amount then required to be on deposit in such Fund pursuant to the Trust Agreement or the amount in the Subordinated Debt Service Reserve Fund shall be less than the Subordinated Debt Service Reserve Requirement, the Authority shall transfer from any or all accounts within the General Fund to the credit of the respective Funds the amount necessary (or all the moneys credited to the General Fund if less than the amount necessary) to make up such deficiency.

To the extent not required to make up any such deficiency, amounts in the General Fund may, upon the direction of an Authorized Officer of the Authority, be transferred to any Fund or Account, transferred to the Authority free and clear of the lien of this Trust Agreement for any of its corporate purposes consistent with the Act, or applied to the payment of debt service on General Fund Indebtedness or the payment of any General Fund Expenses. *(Section 302 of the Fourth Supplemental Trust Agreement).*

Investment of Funds

Amounts in the Funds and Accounts established by the Sales Tax Bond Trust Agreement may be invested by the Trustee at the written direction of the Authority or by the Authority, as the case may be, only in Investment Obligations. To the extent not used to meet the requirement of such Funds and Accounts, income from such Investment Obligations held in the Pledged Revenue Fund, the Senior Debt Service Fund, the Senior Debt Service Reserve Fund and in any Account of the Bond Proceeds Fund established by Supplemental Trust Agreement and held by the Trustee shall be credited to the Senior Debt Service Fund and income from such Investment Obligations held in the Subordinated Debt Service Fund and the Subordinated Debt Service Reserve Fund shall be credited to the Subordinated Debt Service Fund; provided, however, that in order to comply with the provisions under the heading “Tax Covenant” herein the Authority may provide in the Supplemental Trust Agreement authorizing a series of Sales Tax Bonds that earnings on the Senior Debt Service Fund, Senior Debt Service Reserve Fund, Subordinated Debt Service Fund and Subordinated Debt Service Reserve Fund, as applicable, shall be transferred to the Capital Account of the Bond Proceeds Fund, to the extent such earnings exceed the amount needed to meet the obligations under paragraphs (1) and (3) under the heading “Pledged Revenue Fund and Application Thereof,” as applicable. The income from any Investment Obligations in the Rebate Fund and in the Bond Proceeds Fund or in a separate account or sub-account therein shall be held in such Fund, Account or sub-account for the purposes thereof. The Trustee and the Authority shall sell any Investment Obligations held in any Fund or Account to the extent required for payments from such Fund or Account. The proceeds of such sales, and of all payments at maturity or upon redemption of such investments, shall be held in the applicable Fund or Account to the extent required to meet the requirements of such Fund or Account. In computing the amount of such Funds and Accounts, investments shall be valued at par, or if purchased at other than par, shall be valued at Amortized Value. Accrued interest received upon the sale of any Investment Obligation shall be treated as income from such Investment Obligation for purposes of the provisions under this heading.

In making any investment in any Investment Obligations with moneys in any Fund or Account established under the Sales Tax Bond Trust Agreement, the Trustee and the Authority may combine such moneys with moneys in any other Fund or Account held by it, but solely for purposes of making such investment in such Investment Obligations.

Nothing in the Sales Tax Bond Trust Agreement shall prevent any Investment Obligations acquired as investments of or security for any Fund or Account held under the Sales Tax Bond Trust Agreement from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Each investment of any moneys in any Fund or Account established under the Sales Tax Bond Trust Agreement shall permit the moneys so deposited or invested to be available for use at the times at which the Authority reasonably believes such moneys will be required for the purposes hereof.

The Trustee is hereby authorized, in making or disposing of any investment permitted by this Trust Agreement, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person dealing as principal for its own account.

Notwithstanding anything in the Sales Tax Bond Trust Agreement to the contrary, all amounts held on deposit in any Fund or Account established by Section 301 of the Thirty-Seventh Supplemental Trust Agreement, dated as of December 8, 2017, may be invested only in Investment Obligations that constitute Permitted Investments. *[This paragraph effective so long as the USDOT Bonds are Outstanding.] (Section 510).*

Satisfaction of Sinking Fund Installments

Any amount accumulated in the Senior Debt Service Fund or Subordinated Debt Service Fund up to the unsatisfied balance of each respective Sinking Fund Installment may be applied (together with amounts accumulated in such Debt Service Funds with respect to interest on the Sales Tax Bonds for which such Sinking Fund Installment was established) by the Trustee at the direction of the Authority prior to the forty-fifth day preceding the due date of such Sinking Fund Installment as follows:

(1) to the purchase of Sales Tax Bonds of the maturity for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the principal amount of such Sales Tax Bonds plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as the Authority shall determine; or

(2) to the redemption of such Sales Tax Bonds if then redeemable by their terms at the price referred to in clause (1) hereof.

All Sales Tax Bonds so purchased or redeemed shall be delivered to the Trustee for cancellation prior to the forty-fifth day preceding the due date of such Sinking Fund Installment. The principal amount of any Sales Tax Bonds so purchased or redeemed shall be deemed to constitute part of the Senior Debt Service Fund or Subordinated Debt Service Funds, as applicable, until such Sinking Fund Installment date, for the purpose of calculating the amount of such Fund.

Upon the purchase or redemption of any Sales Tax Bond pursuant to clause 1 under this heading, an amount equal to the principal amount of the Sales Tax Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Installment thereafter to become due with respect to the Sales Tax Bonds of such maturity and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Installment shall be credited by the Trustee against future Sinking Fund Installments as specified in the applicable Supplemental Trust Agreement. Concurrently with the delivery of such Sales Tax Bonds the Authority shall deliver to the Paying Agent and to the Trustee a certificate of an Authorized Officer specifying (i) the principal amount, Series, maturity, interest rate and numbers of the Sales Tax Bonds so delivered, (ii) the date of the Sinking Fund Installment in satisfaction of which such Sales Tax Bonds are so delivered, (iii) the aggregate principal amount of the Sales Tax Bonds so delivered, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of such Sales Tax Bonds.

Upon the purchase or redemption of any Series of Sales Tax Bonds for which Sinking Fund Installments shall have been established, an amount equal to the principal amount of the Sales Tax Bonds so purchased or redeemed shall be credited toward future Sinking Fund Installments in such order as the Authority shall determine. In satisfaction, in whole or in part, of any Sinking Fund Installment, the Authority may deliver to the Trustee at least forty-five days prior to the date of such Sinking Fund Installment, for cancellation, Sales Tax Bonds purchased or redeemed, except Sales Tax Bonds purchased or redeemed pursuant to the provisions of clause 1 under this heading, of the Series and maturity entitled to such Sinking Fund Installment. All Sales Tax Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate principal amount of such Sales Tax Bonds. Concurrently with such delivery of such Sales Tax Bonds the Authority shall deliver to the Paying Agent and to the Trustee a certificate of an Authorized Officer specifying (i) the principal amount, Series, maturity, interest rate and numbers of the Sales Tax Bonds so delivered, (ii) the date of the Sinking Fund Installment in satisfaction of which such Sales Tax Bonds are so delivered, (iii) the aggregate principal amount of the Sales Tax Bonds so delivered, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of such Sales Tax Bonds.

The Trustee shall, upon receipt of the notice required by and in the manner provided in the Sales Tax Bond Trust Agreement or in the Supplemental Trust Agreement authorizing the Series of Sales Tax Bonds of which the Sales Tax Bonds to be redeemed are part, call for redemption on the date of each Sinking Fund Installment falling due prior to maturity Sales Tax Bonds of the Series, maturity and interest rate within each maturity for which such Sinking Fund Installment was established (except in the case of Sales Tax Bonds maturing on a Sinking Fund Installment date) in such amount as is required to exhaust the unsatisfied balance of such Sinking Fund Installment.

The Trustee shall pay out of the Senior Debt Service Fund or Subordinated Debt Service Funds as applicable, to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Sales Tax Bonds so called for redemption (or for the payment of such Sales Tax Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Sales Tax Bonds shall be paid by the Authority.

Except as may be otherwise provided with respect to Put Bonds in the Supplemental Trust Agreement providing for the issuance thereof, all Sales Tax Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Sales Tax Bonds, together with all Sales Tax Bonds purchased or redeemed which have been delivered to the Trustee for application as a credit against Sinking Fund Installments, and all Sales Tax Bonds purchased by the Trustee, shall thereupon be promptly canceled. (*Section 511*).

Particular Covenants of the Authority:

Payment of Sales Tax Bonds

The Authority shall duly and punctually pay or cause to be paid the principal or Redemption Price of every Sales Tax Bond and the interest thereon, at the dates and places and in the manner mentioned in the Sales Tax Bonds, according to the true intent and meaning thereof, and shall duly and punctually satisfy all Sinking Fund Installments which may be established for any Series. Except as in the Sales Tax Bond Trust Agreement otherwise provided, the principal or Redemption Price of such Sales Tax Bonds and the interest thereon are payable solely from Pledged Revenues which Pledged Revenues are pledged thereunder to the payment thereof in the manner and to the extent particularly specified in the Sales Tax Bond Trust Agreement, and nothing in the Sales Tax Bonds or in the Sales Tax Bond Trust Agreement shall be construed as obligating the Commonwealth or any political subdivision thereof to pay the Sales Tax Bonds or the interest thereon except from such Pledged Revenues or as pledging the faith and credit or taxing power of the Commonwealth or of any such political subdivision. (*Section 601*).

Power to Issue Sales Tax Bonds and Pledge Pledged Revenues and Other Funds

The Authority is duly authorized under all applicable laws to create and issue the Sales Tax Bonds and to adopt the Sales Tax Bond Trust Agreement and to pledge the Pledged Revenues and other moneys, securities and funds purported to be pledged by the Sales Tax Bond Trust Agreement in the manner and to the extent provided in the Sales Tax Bond Trust Agreement. Except to the extent otherwise provided in the Sales Tax Bond Trust Agreement, the Pledged Revenues and other moneys, securities, funds and accounts so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Sales Tax Bond Trust Agreement, and all corporate action on the part of the Authority to that end has been duly and validly taken. The Sales Tax Bonds and the provisions of the Trust Agreement are and will be the valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of the

Sales Tax Bond Trust Agreement. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and other moneys, securities, funds and accounts pledged under the Sales Tax Bond Trust Agreement and all the rights of the Bondowners under the Sales Tax Bond Trust Agreement against all claims and demands of all persons whomsoever. (*Section 604*).

Dedicated Payments

In the Authority's discretion, revenues of the Authority which are not Pledged Revenues as defined in the Sales Tax Bond Trust Agreement as initially adopted may be pledged and designated as Dedicated Payments by resolution of the Authority, provided the conditions in one of the three following sentences of this paragraph are satisfied. If such Dedicated Payments are to be received from the United States of America, (a) they must automatically recur without appropriation, approval or other similar action by the United States of America or any agency or instrumentality thereof for so long as the Authority is relying thereon for the purpose of issuing Sales Tax Bonds and (b) the manner of determining the amounts to be derived therefrom must not be subject to change or revision during such period. If such Dedicated Payments are to be received from the Commonwealth, they must consist of a payment obligation payable to the Authority pursuant to a statutory or contractual arrangement with the Commonwealth which, in the opinion of Bond Counsel, constitutes a general obligation of the Commonwealth; provided that at the time of entering into such arrangement (a) such arrangement, by its terms, will not terminate so long as the Authority is relying thereon for the purpose of issuing Sales Tax Bonds and (b) the manner of determining the amounts to be derived from such arrangement is not subject to change or revision during such period. Notwithstanding the source of funding, if the Authority has received a written confirmation from each Rating Agency that its published, unenhanced rating of Outstanding Sales Tax Bonds will not be adversely affected, the Authority may, in its sole discretion, designate any revenues which are not Pledged Revenues as Dedicated Payments.

All Dedicated Payments shall be deposited upon receipt in the Senior Debt Service Fund or the Subordinated Debt Service Fund, as determined by such Certificate of an Authorized Officer. The Authority may in its discretion reverse or modify any pledge and designation of Dedicated Revenues by a further resolution and any determination to deposit Dedicated Payments in the Senior Debt Service Fund or the Subordinated Debt Service Fund may be reversed or modified by Certificate of an Authorized Officer, provided that a Certificate of an Authorized Officer shall establish that following any such reversal or modification the Authority will meet the test for incurring \$1 (one dollar) of additional Senior Sales Tax Bonds set forth in the Sales Tax Bond Trust Agreement. (*Section 605*).

Accounts and Reports

The Authority shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of the Funds established by this Trust Agreement, and which shall at all times be subject to the inspection of the Trustee and the Owners of an aggregate of not less than twenty-five percent (25%) in principal amount of the Senior Sales Tax Bonds then Outstanding and twenty-five percent (25%) in principal amount of Subordinated Sales Tax Bonds Outstanding or their representatives duly authorized in writing. The Authority shall cause such books and accounts to be audited annually after the end of its Fiscal Year by an independent public accountant selected by the Authority and shall furnish to the Trustee a copy of the report of such audit. Such audit report shall include at least: a statement of all funds (including investments thereof) held by such Trustee and the Authority pursuant to the provisions hereof and of each Supplemental Trust Agreement; a statement of the Pledged Revenues collected in connection herewith and with each Supplemental Trust Agreement; a statement of the balances in the Senior Debt Service Reserve Fund and in the Subordinated Debt Service Reserve Fund.

The reports, statements and other documents required to be furnished by the Authority to the Trustee pursuant to any provisions of this Trust Agreement shall be available for the inspection of Bondowners at the office of the Trustee. The Trustee shall have no obligation to review any such reports, statements or documents or otherwise determine if the Authority has complied with its obligations under Section 606(1). Delivery of such reports, statements or documents shall not constitute constructive notice of any information contained therein or determinable from information contained therein. (*Section 606*).

Tax Covenant

The Authority shall take, or require to be taken, such action as may from time to time be required to assure the continued exclusion from the federal gross income of holders of any Series of Sales Tax Bonds, the interest on which is not includable in the gross income of the holder thereof for Federal income tax purposes. The Authority shall not permit the investment or application of the proceeds of any Series of Sales Tax Bonds, the interest on which is not includable in the gross income of the holder thereof for Federal income tax purposes, including any funds considered proceeds within the meaning of section 148 of the Code, to be used to acquire any investment property the acquisition of which would cause such Sales Tax Bonds to be “arbitrage bonds” within the meaning of said section 148. (*Section 607*).

Funding of Deficiency Fund and Capital Maintenance Fund

The Authority shall fund the Deficiency Fund and the Capital Maintenance Fund as required under the Authority’s resolution establishing such Funds, and a copy of resolution, and any amendments thereto, shall be filed with the Trustee. (*Section 608*).

General

The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act and the Sales Tax Bond Trust Agreement.

Upon the date of authentication and delivery of any of the Sales Tax Bonds, all conditions, acts and things required by law and the Sales Tax Bond Trust Agreement to exist, to have happened and to have been performed precedent to and in the issuance of such Sales Tax Bonds shall exist, shall have happened and shall have been performed and the issue of such Sales Tax Bonds, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by the laws of the Commonwealth.

For the purpose of performing and carrying out the duties imposed on the Authority by the Sales Tax Bond Trust Agreement, the Authority may employ any individual, firm or corporation it deems necessary to fulfill its responsibilities under the Act and the Sales Tax Bond Trust Agreement. (*Section 609*).

Trustee and Paying Agent

State Street Bank and Trust Company is appointed Trustee under the Sales Tax Bond Trust Agreement. The Authority may appoint one or more Paying Agents for Sales Tax Bonds of any Series in the Supplemental Trust Agreement authorizing such Sales Tax Bonds, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in the Sales Tax Bond Trust Agreement for a successor Paying Agent. The Trustee may be appointed as Paying Agent. The Trustee may at any time resign and be discharged of the duties and obligations created by the Sales Tax

Bond Trust Agreement by giving not less than 30 days' written notice to the Authority and the registered owners of the Sales Tax Bonds. The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Owners of a majority in principal amount of the Senior Sales Tax Bonds and the Subordinated Sales Tax Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Sales Tax Bonds held by or for the account of the Authority. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of the Sales Tax Bond Trust Agreement with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the Authority or the holders of not less than 25% in aggregate principal amount of Senior Sales Tax Bonds Outstanding and not less than 25% in aggregate principal amount of Subordinated Sales Tax Bonds Outstanding. Notwithstanding the foregoing provisions, at the end of the fifth Fiscal Year following the Fiscal Year in which the first series of Sales Tax Bonds is issued under the Sales Tax Bond Trust Agreement, and at the end of every fifth Fiscal Year thereafter, the Authority may remove the Trustee, except during the existence of an Event of Default, upon 120 days' written notice to the trustee by filing with the Trustee an instrument signed by an Authorized Representative of the Authority. Any Successor Trustee shall be a bank or trust company organized under the laws of any state of the United States or a national banking association having a capital and surplus aggregating at least \$100,000,000. (*Sections 701, 702, 707, 708 and 709*).

Supplemental Trust Agreements Not Requiring Consent of Bondowners

The Authority and the Trustee to the Sales Tax Bond Trust Agreement may without the consent of, or notice to, any of the holders of the Sales Tax Bonds enter into agreements supplemental to the Sales Tax Bond Trust Agreement as shall not, in their opinion, be inconsistent with the terms and provisions of the Sales Tax Bond Trust Agreement for any one or more of the following purposes and at any time or from time to time:

(1) To authorize Sales Tax Bonds of a Series and, in connection therewith, (a) specify and determine the matters and things referred to in the Sales Tax Bond Trust Agreement, and also any other matters and things relative to such Sales Tax Bonds which are not contrary to or inconsistent with the Sales Tax Bond Trust Agreement as theretofore in effect or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Sales Tax Bonds, including without limiting the generality of the foregoing, provisions amending or modifying the Sales Tax Bond Trust Agreement to provide for the issuance of Sales Tax Bonds in book-entry form or in coupon form payable to bearer;

(2) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Sales Tax Bond Trust Agreement, of the Pledged Revenues or of any other moneys, securities or funds;

(3) to modify any of the provisions of the Sales Tax Bond Trust Agreement in any respect whatsoever, provided that (i) such modification shall be, and be expressed to be, effective only after all Sales Tax Bonds of any Series affected by the amendment Outstanding at the date of the execution and delivery of such Supplemental Trust Agreement shall cease to be Outstanding, and (ii) such Supplemental Trust Agreement shall be specifically referred to in the text of all Sales Tax Bonds of any Series authenticated and delivered after the date of the execution and delivery of such Supplemental Trust Agreement and of Sales Tax Bonds issued in exchange therefor or in place thereof;

(4) to modify the definition of Investment Obligations as directed by the Authority, provided that the Authority shall have provided evidence to the Trustee that the details of such modification have been provided in writing to each Rating Agency then assigning a rating on Outstanding Sales Tax Bonds

and that each such Rating Agency has either (i) confirmed in writing that such modification will not adversely affect such ratings or (ii) issued a rating on a Series of Sales Tax Bonds to be issued which is not lower than the rating assigned by such Rating Agency to Outstanding Sales Tax Bonds prior to such modification, or any other evidence satisfactory to the Trustee that modification will not adversely affect the then current ratings, if any, assigned to the Sales Tax Bonds by any Rating Agency;

(5) to subject to the lien of the Sales Tax Bond Trust Agreement additional revenues, security or collateral;

(6) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Sales Tax Bond Trust Agreement;

(7) to insert such provisions clarifying matters or questions arising under the Sales Tax Bond Trust Agreement as are necessary or desirable and are not contrary to or inconsistent with the Sales Tax Bond Trust Agreement as theretofore in effect;

(8) to authorize the issuance of bonds, notes or any other obligation entitled to a lien on Pledged Revenues or the Funds and Accounts under the Sales Tax Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement; or

(9) to provide for additional duties of the Trustee. (*Section 801*).

Supplemental Trust Agreements Effective with Consent of Bondowners

At any time or from time to time, a Supplemental Trust Agreement may be adopted subject to consent by Bondowners in accordance with and subject to the provisions of the Sales Tax Bond Trust Agreement, which Supplemental Trust Agreement, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority and upon compliance with the provisions of said Sales Tax Bond Trust Agreement, shall become fully effective in accordance with its terms as provided in said Sales Tax Bond Trust Agreement. (*Section 802*).

Amendments

Any modification or amendment of the Sales Tax Bond Trust Agreement and of the rights and obligations of the Authority and of the Owners of the Sales Tax Bonds and coupons thereunder may be made by a Supplemental Trust Agreement, with the written consent given as provided in the Sales Tax Bond Trust Agreement, (i) of the Owners of at least a majority in principal amount of the Senior Sales Tax Bonds Outstanding or, if no Senior Sales Tax Bonds are Outstanding, at least a majority in principal amount of the Subordinated Sales Tax Bonds Outstanding at the time such consent is given, and (ii) in case less than all of the Senior Sales Tax Bonds, or if no Senior Sales Tax Bonds are Outstanding, less than all of the Subordinated Sales Tax Bonds, then Outstanding are affected by the modification or amendment, of the Owners of at least a majority in principal amount of the Senior Sales Tax Bonds, or if no Senior Sales Tax Bonds are Outstanding, Subordinated Sales Tax Bonds, of each Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Sales Tax Bonds remain Outstanding, the consent of the Owners of such Sales Tax Bonds shall not be required and such Sales Tax Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Sales Tax Bonds under this heading. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Senior Sales Tax Bond or any Outstanding Subordinated Sales Tax Bond or of any installment of interest thereon or a reduction in the principal amount, Accreted Value or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner

of such Sales Tax Bond, or shall reduce the percentages or otherwise affect the classes of Sales Tax Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of this paragraph, a Series shall be deemed to be affected by a modification or amendment of the Sales Tax Bond Trust Agreement if the same adversely affects or diminishes the rights of the Owners of Sales Tax Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment, Sales Tax Bonds of any particular Series or maturity would be affected by any modification or amendment of the Sales Tax Bond Trust Agreement. Any such determination may be based upon the written advice of Bond Counsel, if so requested by the Trustee, and shall be binding and conclusive on the Authority and all Owners of Sales Tax Bonds. For purposes of the provisions under this heading, the Owners of the Sales Tax Bonds may include the initial holders thereof, regardless of whether such Sales Tax Bonds are being held for immediate resale. (*Section 902*).

Events of Default

The occurrence of any one or more of the following events shall constitute an Event of Default under the Sales Tax Bond Trust Agreement:

- (1) The Authority shall fail to make payment of the principal of any Sales Tax Bond when the same shall become due and payable, either at maturity or scheduled redemption; or
- (2) The Authority shall fail to make payment of any installment of interest on any Sales Tax Bonds when the same shall become due and payable; or
- (3) The Authority shall default in the observance or performance of any other covenants or agreements on the part of the Authority contained in the Sales Tax Bond Trust Agreement, and such default shall continue for ninety (90) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Sales Tax Bonds then Outstanding. (*Section 1001*).

Remedies

Upon the occurrence and during the continuation of any Event of Default, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Senior Sales Tax Bonds or Subordinated Sales Tax Bonds then Outstanding under the Sales Tax Bond Trust Agreement shall proceed to protect and enforce its rights and the rights of the Bondowners under the laws of the Commonwealth or under the Sales Tax Bond Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board of officer having jurisdiction, either for the specific performance of any covenant or agreement contained in Sales Tax Bond Trust Agreement or in aid or execution of any power therein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. The Trustee shall not be required to take any remedial action (other than the giving of notice) unless indemnity satisfactory to the Trustee is furnished for any liability to be incurred thereby; provided that, without in any way limiting the foregoing, any indemnity that would otherwise be provided by the USDOT Lender shall instead be provided by the Authority on behalf of the USDOT Lender in any case where the USDOT Lender would be required to provide indemnification (other than in respect of any liability determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or

willful misconduct of the USDOT Lender). *[Proviso in the second sentence effective so long as the USDOT Bonds are Outstanding.]*. (Section 1002).

Trustee for Subordinated Bondowners

During any period in which an Event of Default shall have occurred and be continuing if there shall be Outstanding under the Sales Tax Bond Trust Agreement Subordinated Sales Tax Bonds and Senior Sales Tax Bonds, the registered owners of the Subordinated Sales Tax Bonds shall be entitled to the appointment of a trustee to act on their behalf in any suit, action or proceeding under the Sales Tax Bond Trust Agreement and to otherwise exercise on their behalf any of their rights thereunder; provided, however, that such trustee shall not be entitled to hold any Funds or Accounts under the Sales Tax Bond Trust Agreement which shall continue to be held thereunder by the Trustee. During such period the Trustee under the Sales Tax Bond Trust Agreement shall then act exclusively on behalf of the registered owners of Senior Sales Tax Bonds Outstanding; provided, however, the Trustee shall continue to bear its fiduciary obligation to all Bondholders as provided in the Sales Tax Bond Trust Agreement with respect to any Funds or Accounts or any other amounts held in trust under the Sales Tax Bond Trust Agreement. Any such trustee may be appointed with the consent of a majority in principal amount Outstanding of Subordinated Sales Tax Bonds. Notice of the appointment of any such trustee shall be given to the Trustee and the Authority promptly upon such appointment and to all registered owners of Subordinated Sales Tax Bonds. (Section 1003).

Application of Pledged Revenues and Other Moneys After Default

The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, shall pay over or cause to be paid over to the Trustee (i) forthwith, any moneys, securities and funds then held by the Authority or a Depository in any Fund, Account or Subaccount under the Sales Tax Bond Trust Agreement (excluding the Rebate Fund) and (ii) as promptly as practicable after receipt thereof, the Pledged Revenues. To the extent that the allocation of such moneys, securities, funds and Pledged Revenues is not otherwise provided for in the Sales Tax Bond Trust Agreement, the Trustee shall establish and deposit the same into a separate Account in the Senior Debt Service Fund.

During the continuation of an Event of Default, all Pledged Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of the Sales Tax Bond Trust Agreement shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the registered holders of the Sales Tax Bonds (including without limitation deposits to the Rebate Fund sufficient to fund any unfunded anticipated liability of the Authority under section 148 of the Code relating to the Sales Tax Bonds) and payment of reasonable fees and charges and expenses of the Trustee (including without limitation reasonable fees and disbursements of its counsel) incurred in and in connection with the performance of its powers and duties under the Sales Tax Bond Trust Agreement.

(b) To the payment of the principal of and interest then due on the Sales Tax Bonds upon presentation of the Sales Tax Bonds to be paid (and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of the Sales Tax Bond Trust Agreement, as follows:

First: To the payment to the persons entitled thereto of all installments of interest then due on Senior Sales Tax Bonds in the order of the maturity of such installments, ratably, according to the amounts of interest due thereon, to the persons entitled thereto, without any discrimination or preference;

Second: To the payment to the persons entitled thereto of the unpaid principal of any Senior Sales Tax Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Senior Sales Tax Bonds, and, if the amount available shall not be sufficient to pay in full all the Senior Sales Tax Bonds, together with such interest, ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference;

Third: To the payment to the persons entitled thereto of all installments of interest then due on Subordinated Sales Tax Bonds in the order of the maturity of such installments, ratably, according to the amounts of interest due thereon, to the persons entitled thereto, without any discrimination or preference; and

Fourth: To the payment to the persons entitled thereto of the unpaid principal of any Subordinated Sales Tax Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Subordinated Sales Tax Bonds, and, if the amount available shall not be sufficient to pay in full all the Subordinated Sales Tax Bonds, together with such interest, ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference;

(c) If the Trustee shall have received a certificate from the trustee under the Assessment Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement, to such trustee the amount set forth in such certificate.

(d) To the applicable trustee or custodian for Prior Obligations, the amount set forth in a certificate of an Authorized Officer for the payment of Prior Obligations.

(e) To the payment of General Fund Expenses and General Fund Indebtedness.

Notwithstanding the foregoing, in the event that by April 1 of any year, commencing April 1, 2001, the Authority is otherwise unable to make the certification required under Section 35T that it has made provision in its annual budget under the Act for sufficient amounts to be available in the next Fiscal Year to meet the Prior Obligations without changing the priority of payment of the Prior Obligations in accordance with this sentence, the deposit required pursuant to paragraph (d) above shall be made prior to the deposit required pursuant to clause (a) during the following Fiscal Year; provided, however, that if during such Fiscal Year the Authority shall adopt a supplemental budget which would permit the Authority to be able to make such certification without changing such priority as aforesaid, the deposit required pursuant to clause (d) shall not be required to be paid prior to the deposit under clause (b) for the remainder of such Fiscal Year. (*Section 1004*).

Defeasance

(1) If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Sales Tax Bonds then Outstanding, the principal and interest and Redemption Price to become due thereon, at the times and in the manner stipulated therein and in the Sales Tax Bond Trust Agreement, then, at the option of the Authority, expressed in an instrument in writing signed by an Authorized Officer and delivered to the Trustee, the covenants, agreements and other obligations of the Authority to the Bondowners shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Authority all money, securities and funds held by them pursuant to the Sales Tax Bond Trust Agreement which are not

required for the payment or redemption of Sales Tax Bonds not theretofore surrendered for such payment or redemption. If the Authority shall pay or cause to be paid, to the Owners of any Outstanding Sales Tax Bonds the principal or Redemption Price and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Sales Tax Bond Trust Agreement, such Sales Tax Bonds shall cease to be entitled to any lien, benefit or security under the Sales Tax Bond Trust Agreement, and all covenants, agreements and obligations of the Authority to the Owners of such Sales Tax Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Notwithstanding any other provision of the Sales Tax Bond Trust Agreement, certain provisions, including those related to redemption of Sales Tax Bonds, execution and authentication of Sales Tax Bonds, satisfaction of Sinking Fund Installments, appointment of Trustee and Paying Agents, and compensation of Fiduciaries, (in the case of each of the foregoing, such survival shall continue only until such Sales Tax Bonds are in fact paid), and shall, within limits survive the defeasance of the Sales Tax Bonds.

(2) Sales Tax Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be defeased. Subject to the provisions of paragraphs (3) through (7) under this heading, any Outstanding Sales Tax Bond shall prior to the maturity or redemption date thereof be defeased if (a) in case any of said Sales Tax Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee instructions accepted in writing by the Trustee to mail as provided in the Sales Tax Bond Trust Agreement notice of redemption of such Sales Tax Bonds (other than Sales Tax Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Obligations (as hereinafter defined) including any Investment Obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Sales Tax Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Sales Tax Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Sales Tax Bonds at their last addresses appearing upon the registry books at the close of business on the last Business Day on the month preceding the month for which notice is mailed that the deposit required by (b) above has been made with the Trustee and that said Sales Tax Bonds are deemed to have been defeased and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of paragraphs (7) and (8) under this heading, to be available for the payment of the principal or Redemption Price, if applicable, on said Sales Tax Bonds (other than Sales Tax Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (a) hereof). The Trustee shall, as and to the extent necessary, apply moneys held by it under this heading to the retirement of said Sales Tax Bonds in amounts equal to the unsatisfied balances of any Sinking Fund Installments with respect to such Sales Tax Bonds, all in the manner provided in the Sales Tax Bond Trust Agreement. The Trustee shall, if so directed by the Authority (i) prior to the maturity date of defeased Sales Tax Bonds which are not to be redeemed prior to their maturity date or (ii) prior to the time of the mailing of the notice referred to in clause (a) above with respect to any defeased Sales Tax Bonds which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect to such Sales Tax Bonds and redeem or sell Investment Obligations so deposited with the Trustee and apply the proceeds thereof to the purchase of such Sales Tax Bonds as arranged and directed by the Authority and the Trustee shall immediately thereafter cancel all such Sales Tax Bonds so purchased; provided, however, that the moneys

and Investment Obligations remaining on deposit with the Trustee after the purchase and cancellation of such Sales Tax Bonds shall be sufficient to pay when due the Principal Installment or Redemption Price, if applicable, and interest due or to become due on all remaining Sales Tax Bonds, in respect of which such moneys and Investment Obligations are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be.

If, at any time (i) prior to the maturity date of defeased Sales Tax Bonds which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) with respect to any defeased Sales Tax Bonds which are to be redeemed on any date prior to their maturity, the Authority shall purchase or otherwise acquire any such Sales Tax Bonds and deliver such Sales Tax Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Sales Tax Bonds so delivered; such delivery of Sales Tax Bonds to the Trustee shall be accompanied by directions from the Authority to the Trustee as to the manner in which such Sales Tax Bonds are to be applied against the obligation of the Trustee to pay or redeem defeased Sales Tax Bonds; all in accordance with the Sales Tax Bond Trust Agreement.

In the event that on any date as a result of any purchases, acquisitions and cancellations of Sales Tax Bonds, the total amount of moneys and Investment Obligations remaining on deposit with the Trustee under this heading is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Sales Tax Bonds in order to defease such Sales Tax Bond, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security, interest, pledge or assignment securing said Sales Tax Bonds or otherwise existing under the Sales Tax Bond Trust Agreement. Except as otherwise provided in paragraph (2) and paragraphs (3) through (8) under this heading, neither Investment Obligations nor moneys deposited with the Trustee pursuant to the provisions under this heading nor principal or interest payments on any such Investment Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Sales Tax Bonds; provided that any cash received from such principal or interest payment on such Investment Obligations deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien or pledge securing said Sales Tax Bonds or otherwise existing under the Sales Tax Bond Trust Agreement, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Investment Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Sales Tax Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Sales Tax Bonds or otherwise existing under the Sales Tax Bond Trust Agreement. For the purposes of the provisions under this heading, Investment Obligations shall mean and include only (x) such securities as are described in clauses (i), (v) (to the extent rated at the time of investment in the highest rating category, without regard to any refinement or gradation of such rating, by any Rating Agency), (vi) and (viii) of the definition of "Investment Obligations" which shall not be subject to redemption prior to their maturity other than at the option of the Owner thereof, (y) such securities as are described in clause (ii) of the definition of Investment Obligations which shall not be subject to redemption prior to their maturity other than at the option of the Owner thereof or as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the Owner thereof, or (z) upon compliance with the provisions of paragraph (5) under this heading, such securities as are described in clauses (i), (v) to the extent rated at the time of investment in the highest rating category, without regard to any refinement or gradation of such rating, by any Rating

Agency, (vi) or (viii) of the definition of Investment Obligations which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

(3) For purposes of determining whether Variable Interest Rate Bonds are defeased, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Interest Rate Bonds having borne interest at less than such maximum rate for any period, the total amount of moneys and Investment Obligations on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy the second sentence of paragraph (2) under this heading, the Trustee shall, if requested, by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security interest, pledge or assignment securing the Sales Tax Bonds or otherwise existing under the Sales Tax Bond Trust Agreement.

(4) Put Bonds shall be deemed to have been defeased only if, in addition to satisfying the other requirements, there shall have been deposited with the Trustee moneys in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Sales Tax Bonds which could become payable to the Owners of such Sales Tax Bonds upon the exercise of any options provided to the Owner of such Sales Tax Bonds; provided, however, that if, at the time a deposit is made with the Trustee pursuant to paragraph (2) under this heading, the options originally exercisable by the Owner of a Put Bond are no longer exercisable, such Sales Tax Bond shall not be considered a Put Bond for purposes of this paragraph (4). If any portion of the moneys deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Put Bonds is not required for such purpose, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security interest, pledge or assignment securing said Sales Tax Bonds or otherwise existing under the Sales Tax Bond Trust Agreement.

(5) Investment Obligations described in clause (z) of paragraph (2) under this heading may be included in the Investment Obligations deposited with the Trustee in order to satisfy the requirements of clause (b) of paragraph (2) under this heading only if the determination as to whether the moneys and Investment Obligations to be deposited with the Trustee in order to satisfy the requirements of such clause (b) would be sufficient to pay when due either on the maturity date thereof or, in the case of any Sales Tax Bonds to be redeemed prior to the maturity date thereof, on the redemption date or dates specified in any notice of redemption to be mailed by the Trustee or in the instructions to mail a notice of redemption provided to the Trustee in accordance with paragraph (2) under this heading, the principal and Redemption Price, if applicable, and interest on the Sales Tax Bonds which will be deemed to have been paid as provided in paragraph (2) under this heading is made both (i) on the assumption that the Investment Obligations described in clause (z) were not redeemed at the option of the issuer prior to the maturity date thereof and (ii) on the assumptions that such Investment Obligations would be redeemed by the issuer thereof at its option on each date on which such option could be exercised, that as of such date or dates interest ceased to accrue on such Investment Obligations and that the proceeds of such redemption would not be reinvested by the Trustee.

(6) In the event that after compliance with the provisions of paragraph (5) under this heading the Investment Obligations described in clause (z) of paragraph (2) under this heading are included in the Investment Obligations deposited with the Trustee in order to satisfy the requirements of clause (b) of paragraph (2) under this heading and any such Investment Obligations are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee at the direction of the Authority, provided that the aggregate of the moneys and Investment Obligations to be held by the Trustee, taking into account any changes in redemption dates or instructions to give notice of redemption given to the Trustee by the

Authority in accordance with paragraph (7) under this heading, shall at all times be sufficient to satisfy the requirements of clause (b) of paragraph (2) under this heading, shall reinvest the proceeds of such redemption in Investment Obligations.

(7) In the event that after compliance with the provisions of paragraph (5) under this heading the Investment Obligations described in clause (z) of paragraph (2) under this heading are included in the Investment Obligations deposited with the Trustee in order to satisfy the requirements of clause (b) of paragraph (2) the provisions under this heading, then any notice of redemption to be mailed by the Trustee and any set of instructions relating to a notice of redemption given to the Trustee may provide, at the option of the Authority, that any redemption date or dates in respect of all or any portion of the Sales Tax Bonds to be redeemed on such date or dates may at the option of the Authority be changed to any other permissible redemption date or dates and that redemption dates may be established for any Sales Tax Bonds deemed to have been paid in accordance with the provisions under this heading upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of any Investment Obligations described in clause (z) of paragraph (2) under this heading have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change of redemption date or dates or establishment of redemption date or dates may be made unless taking into account such changed redemption date or dates or newly established redemption date or dates the moneys and Investment Obligations on deposit with the Trustee including any Investment Obligations deposited with the Trustee in connection with any reinvestment of redemption proceeds in accordance with paragraph (6) pursuant to clause (b) of paragraph (2) under this heading would be sufficient to pay when due the principal and Redemption Price, if applicable, and interest on all Sales Tax Bonds deemed to have been paid in accordance with the provisions under this heading which have not as yet been paid.

(8) Unless waived by the Authority at the time Sales Tax Bonds are defeased, at any time prior to the actual mailing of any applicable notice of redemption any redemption date or dates in respect of all or any portion of the Sales Tax Bonds to be redeemed on such date or dates may at the option of the Authority be changed to any other permissible redemption date or dates and redemption dates may be established for any Sales Tax Bonds deemed to have been defeased upon their maturity date or dates in both cases in accordance with the Assessment Bond Trust Agreement.

(9) The Authority agrees that it will take no action in connection with any of the transactions referred to under this heading which will cause any Sales Tax Bonds to be "Arbitrage Bonds" within the meaning of Section 148(a) of the Code and the regulations thereunder in effect on the date of the transaction and applicable to the transaction.

(10) Anything in the Sales Tax Bond Trust Agreement to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Sales Tax Bonds which remain unclaimed for three years (or such other period as may from time to time be prescribed by the laws of the Commonwealth, provided that if no period is so prescribed, such period shall be three years) after the date when such Sales Tax Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for three years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Sales Tax Bonds became due and payable, shall automatically revert from the Fiduciary to the Commonwealth once the Fiduciary has complied with the publication and reporting requirements as prescribed in accordance with the laws of the Commonwealth; provided, however, if no provision of Commonwealth law shall require that such funds be paid to the Commonwealth, such moneys shall, at the written request of the Authority, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the

Bondowners shall look only to the Commonwealth, if paid to the Commonwealth, or the Authority, if paid to the Authority, for the payment of such Sales Tax Bonds.

(11) Anything in the Sales Tax Bond Trust Agreement to the contrary notwithstanding, agreements and obligations of the Authority under the Sales Tax Bond Trust Agreement shall not be discharged and satisfied until all outstanding payment obligations to the provider of any surety bond, insurance policy, letter of credit or other similar obligation held in the Senior Debt Service Reserve Fund shall have been satisfied.

(12) Notwithstanding the foregoing, in order for all or a portion of the the 2018 Series A Bonds (other than 2018 Series A Bonds that have been converted to bear interest at a Fixed Rate) to be deemed to have been paid within the meaning and with the effect expressed in subsection 1 under this heading, in addition to the other requirements under this heading (i) the Trustee shall have received (a) a report verifying that the moneys and Investment Obligations are sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on such 2018 Series A Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (b) an Opinion of Counsel that such 2018 Series A Bonds are deemed paid within the meaning and with the effect expressed in subsection 1 under this heading, and (ii) Investment Obligations deposited with the Trustee in order to satisfy the requirements of clause (b) of subsection 2 under this heading shall be limited to such securities as are described in clause (i) of the definition of such term in the Trust Agreement and such Investment Obligations shall mature within the lesser of (x) the date on which the moneys invested in such Investment Obligations are required and (y) thirty (30) days. (*Section 1005*).

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SUMMARY OF CERTAIN PROVISIONS OF THE ASSESSMENT BOND TRUST AGREEMENT

The following is a summary of certain provisions of the Assessment Bond Trust Agreement including certain terms used in the Assessment Bond Trust Agreement not used elsewhere in this Official Statement. This summary does not purport to be complete and reference is made to the Assessment Bond Trust Agreement for full and complete statements of its terms and provisions.

Definitions

The following are definitions in summary form of certain terms contained in the Assessment Bond Trust Agreement and used in this Official Statement:

Account or Accounts shall mean each account or all of the accounts established by or pursuant to the Assessment Bond Trust Agreement.

Accreted Value shall mean with respect to any Capital Appreciation Bond (i) as of any Valuation Date, the amount set forth in a Supplemental Agreement authorizing the issuance of such Assessment Bond and (ii) as of any date other than a Valuation Date, the sum of (a) the Accreted Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Accreted Values for such Valuation Dates. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date and the number of days from the preceding Valuation Date to the next succeeding Valuation Date shall be calculated on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months.

Act shall mean Chapter 161A of the Massachusetts General Laws, as from time to time in effect.

Aggregate Debt Service for any period shall mean, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Outstanding Assessment Bonds; provided, however, that for purposes of estimating Aggregate Debt Service for any future period, (i) any Variable Interest Rate Bonds shall be deemed to bear at all times (for which the interest rate is not yet determined) to the maturity thereof the Estimated Average Interest Rate applicable thereto; and (ii) any Put Bonds Outstanding during such period shall be assumed to mature on the stated maturity date thereof, unless the Credit Facility or Liquidity Facility securing such Put Bonds expires within three months or less of the date of calculation and has not been renewed or replaced in which case such Put Bonds shall be assumed to mature on the expiration date of such Credit Facility or Liquidity Facility. For purposes of this definition, the principal and interest portions of the Accreted Value of any Capital Appreciation Bonds becoming due at maturity or by virtue of a Sinking Fund Installment and the principal and interest portions of the Appreciated Value of any Deferred Income Bonds becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments only during the year such amounts become due for payment unless otherwise provided in the applicable Supplemental Agreement authorizing Assessment Bonds which are Capital Appreciation Bonds or Deferred Income Bonds, as the case may be.

Alternate Revenues shall mean any revenues of the Authority (other than Assessments) legally available and pledged by resolution of the Authority for its obligations under the Assessment Bond Trust Agreement and deposited to the Pledged Revenue Fund, provided that (i) if such Alternate Revenues are to be received from the United States of America or the Commonwealth, they must automatically recur without appropriation, approval or other similar action for so long as the Authority is relying thereon for the

purpose of issuing Assessment Bonds or they constitute a general obligation of the Commonwealth and the manner of determining the amounts to be derived therefrom must not be subject to change or revision during such period, (ii) such Alternate Revenues consist of obligations with a rating by each Rating Agency in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds or (iii) the Authority has received a written confirmation from each Rating Agency that its unenhanced, published rating of Outstanding Assessment Bonds will not be adversely affected by the designation of such revenues as Alternate Revenues.

Amortized Value, when used with respect to Investment Obligations purchased at a premium above or a discount below par, shall mean the value as of any given time obtained by dividing the total premium or discount at which such Investment Obligation was purchased by the number of days remaining to maturity on such Investment Obligation at the date of such purchase and by multiplying the amount thus calculated by the number of days having passed since such purchase, and (1) in the case of an Investment Obligation purchased at a premium by deducting the product thus obtained from the purchase price, and (2) in the case of an Investment Obligation purchased at a discount by adding the product thus obtained to the purchased price.

Appreciated Value shall mean with respect to any Deferred Income Bond (i) as of any Valuation Date, the amount set forth for such date in the applicable Supplemental Trust Agreement, (ii) as of any date prior to the Interest Commencement Date, other than a Valuation Date, the sum of (a) the Appreciated Value on the preceding Valuation Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (2) the difference between the Appreciated Values for such Valuation Dates, and (iii) as of any date on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date. For purposes of this definition, the number of days having elapsed from the preceding Valuation Date shall be calculated on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months.

Assessment Bond or Bonds shall mean any bond or bonds and any Bond Anticipation Notes authenticated and delivered under the Assessment Bond Trust Agreement.

Assessment Floor Amount shall mean the amount below which the amount assessed on cities and towns pursuant to the Act shall not be reduced in accordance with Section 35T.

Assessments shall mean all assessments on cities and towns received by the Authority pursuant to the Act.

Authority shall mean the Massachusetts Bay Transportation Authority.

Authorized Newspaper shall mean The Bond Buyer or a newspaper customarily published at least once a day for at least five days (other than legal holidays) in each week, printed in the English language and of general circulation in the City or in the Borough of Manhattan, City and State of New York.

Authorized Officer shall mean the General Manager, the Chief Financial Officer, the Director of Financial Planning, the Treasurer-Controller or the General Counsel of the Authority, and when used with reference to an act or document of the Authority also means any other person authorized by resolution of the Authority to perform the act or sign the document in question.

Bank Bonds shall mean any Assessment Bonds issued to or acquired or held by any bank, insurance company or other provider of credit and/or liquidity support or any designee thereof for any Assessment Bonds or for any Bond Anticipation Notes as evidence of the obligations of the Authority

arising under any letter of credit, revolving credit agreement, insurance policy, reimbursement agreement or any other agreement, instrument or document relating to such credit and/or liquidity support; provided, however, that Bank Bonds do not include any Assessment Bonds issued to or held by any such party or its designee in any other capacity.

Base Revenue Floor Amount shall mean (as of the date of computation) the base revenue amount (as defined in Section 35T), as most recently certified by the Comptroller of the Commonwealth in accordance with Section 35T.

Bond Anticipation Note shall mean a note issued pursuant to the Assessment Bond Trust Agreement.

Bond Counsel shall mean Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. or any other lawyer or firm of lawyers nationally recognized in the field of municipal finance and satisfactory to the Authority.

Bondowner or Owner, or Owner of Assessment Bonds, or any similar terms, shall mean any person who shall be the registered owner of any Outstanding Assessment Bond or Bonds.

For all purposes of the provisions of the Trust Agreement and the applicable Supplemental Trust Agreement, except the giving of any required notice of default to holders of the Insured Bonds, the Bond Insurer shall be deemed to be the sole holder of the Insured Bonds for so long as it has not failed to comply with its payment obligations under the Policy.

Bond Proceeds Fund shall mean the Fund by that name established by the Assessment Bond Trust Agreement.

Business Day shall mean any day that is not a Saturday, Sunday or legal holiday in the Commonwealth or a day on which banks in the City are authorized or required by law or executive order to close.

Capital Appreciation Bond shall mean any Assessment Bond as to which interest is payable only at the maturity or prior redemption of such Assessment Bond. For the purposes of (i) receiving payment of the Redemption Price if a Capital Appreciation Bond is redeemed prior to maturity or (ii) computing the principal amount of Assessment Bonds held by the registered owner of a Capital Appreciation Bond in giving to the Authority or the Trustee any notice, consent, request, or demand pursuant to the Assessment Bond Trust Agreement for any purpose whatsoever, unless otherwise provided in the Supplemental Agreement authorizing such Capital Appreciation Bonds, the principal amount of a Capital Appreciation Bond shall be deemed to be its Accreted Value.

Capital Maintenance Fund shall mean the fund of such name created and held by the Authority pursuant to Authority resolution, which fund shall be used to pay a portion of the ongoing schedule of maintaining the equipment and mass transportation facilities of the Authority.

City shall mean the City of Boston in the Commonwealth.

Code shall mean the Internal Revenue Code of 1986, as amended to the date of adoption of the Assessment Bond Trust Agreement, unless a later day shall be specified in a Supplemental Agreement to be applicable to one or more Series of Assessment Bonds, and the applicable regulations thereunder, and any reference in the Assessment Bond Trust Agreement to any section thereof shall, to the extent the provisions of the Internal Revenue Code of 1986, as amended to the date of adoption of the Assessment Bond Trust Agreement, unless a later date shall be specified in a Supplemental Agreement to be

applicable to one or more Series of Assessment Bonds, are included in a successor code or in an equivalent section or sections of such a successor code, be deemed to include such successor code and the equivalent section or sections of such successor code and the applicable regulations thereunder.

Commonwealth shall mean The Commonwealth of Massachusetts.

Counsel's Opinion or Opinion of Counsel shall mean an opinion signed by Bond Counsel or an attorney or firm of attorneys of recognized standing (who may be counsel to the Authority) selected by the Authority.

Credit Facility shall mean an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement or other agreement, facility or insurance or guaranty arrangement issued or extended by a Qualified Institution, pursuant to which the Authority is entitled to obtain moneys to pay the principal, purchase price or Redemption Price of Assessment Bonds due in accordance with their terms or tendered for purchase or redemption, plus accrued interest thereon to the date of payment, purchase or redemption thereof, in accordance with the Assessment Bond Trust Agreement, whether or not the Authority is in default under the Assessment Bond Trust Agreement.

Debt Service for any period shall mean, as of any date of calculation and with respect to the Outstanding Assessment Bonds of any Series, an amount equal to the sum of (i) interest accruing during such period on Outstanding Assessment Bonds of such Series and (ii) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series or, if (a) there shall be no such preceding Principal Installment due date or (b) such preceding Principal Installment due date is more than one year prior to the due date of such Principal Installment, then, from a date one year preceding the due date of such Principal Installment or from the date of issuance of the Assessment Bonds of such Series, whichever date is later. Such interest and Principal Installments for such Series shall be calculated on the assumption that (1) no Assessment Bonds (except for Put Bonds actually tendered for payment and not purchased in lieu of redemption prior to the redemption date thereof) of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof and (2) the principal amount of Put Bonds tendered for payment and not purchased in lieu of redemption prior to the redemption date thereof shall be deemed to accrue on the date required to be paid pursuant to such tender. For purposes of this definition, the principal and interest portions of the Accreted Value of a Capital Appreciation Bond and the Appreciated Value of a Deferred Income Bond becoming due at maturity or by virtue of a Sinking Fund Installment shall be included in the calculations of accrued and unpaid and accruing interest or Principal Installments only during the year such amounts become due for payment unless otherwise provided in the applicable Supplemental Agreement. Debt Service on Assessment Bonds with respect to which there is a Qualified Hedge Agreement shall be calculated consistent with the Assessment Bond Trust Agreement. Debt Service shall include costs of Credit Facilities and Liquidity Facilities and reimbursement to Providers of Credit Enhancement, in each case if and to the extent payable from the Debt Service Fund. Debt Service on Bond Anticipation Notes shall not include any Principal Installments thereon.

Debt Service Fund shall mean the Fund by that name established by the Assessment Bond Trust Agreement.

Debt Service Reserve Fund shall mean the Fund by that name established by the Assessment Bond Trust Agreement.

Debt Service Reserve Requirement shall mean as of any date of calculation, an amount equal to one-half of the least of (i) 10% of the aggregate original net proceeds from the sale of all Bonds Outstanding, (ii) 125% of average annual Debt Service on all Bonds Outstanding, and (iii) the maximum

amount of Debt Service due in any future Fiscal Year on all Bonds Outstanding. The Estimated Average Interest Rate as of the date of issue for any Variable Interest Rate Bonds shall be used to establish Debt Service on such Assessment Bonds for the purpose of the Debt Service Reserve Requirement.

Dedicated Payments shall mean any revenues of the Authority which are not Pledged Revenues, as defined in the Trust Agreement as initially entered into which the Authority subsequently pledges as additional security for its payment obligations on the Assessment Bonds pursuant to a resolution of the Authority and which are specifically designated as Dedicated Payments by the Authority in accordance with the limitations of the Assessment Bond Trust Agreement and, accordingly, are to be deposited in the Debt Service Fund upon receipt.

Dedicated Sales Tax shall mean the base revenue amount or the dedicated sales tax revenue amount (as defined in Section 35T).

Deferred Income Bond shall mean any Assessment Bond (i) as to which interest accruing thereon prior to the Interest Commencement Date of such Assessment Bond is (a) compounded on each Valuation Date for such Deferred Income Bond and (b) payable only at the maturity or prior redemption of such Assessment Bonds and (ii) as to which interest accruing after the Interest Commencement Date is payable on the first interest payment date immediately succeeding the Interest Commencement Date and periodically thereafter on the dates set forth in the applicable Supplemental Agreement. For the purposes of (i) receiving payment of the Redemption Price if a Deferred Income Bond is redeemed prior to maturity or (ii) computing the principal amount of Assessment Bonds held by the registered owner of a Deferred Income Bond in giving to the Authority or the Trustee any notice, consent, request, or demand pursuant to the Assessment Bond Trust Agreement for any purposes whatsoever, unless otherwise provided in the applicable Supplemental Agreement, the principal amount of a Deferred Income Bond shall be deemed to be its Appreciated Value.

Deficiency Fund shall mean the fund by such name created and held by the Authority pursuant to Authority resolution, which fund may be used to pay debt service on Authority bonds, notes and other obligations and other expenses of the Authority.

Estimated Average Interest Rate shall mean, as to any Variable Interest Rate Bond and as of any date of calculation, the “25-year revenue bond index” most recently published in The Bond Buyer or, if such index is no longer published, such other substantially comparable index as determined by the Authority.

Fiduciary or Fiduciaries shall mean the Trustee, any Paying Agent, or any or all of them, as may be appropriate.

Fiscal Year shall mean that period beginning on the first day of July of any year and ending on the last day of June of the subsequent year or, at the option of the Authority, any other period of twelve consecutive calendar months selected by the Authority in a written instrument delivered to the Trustee as the Fiscal Year of the Authority.

Fund or Funds shall mean each fund or all of the funds established by the Assessment Bond Trust Agreement, as the case may be.

General Fund Expenses shall mean, to the extent such expenses shall not have been otherwise provided for, (i) the net costs (including, in certain circumstances, termination payments or fees) of any Hedge Agreements payable from the General Fund pursuant to and in accordance with Section 104 of the Assessment Bond Trust Agreement and (ii) and any other costs approved by the Board of Directors of the Authority.

General Fund Indebtedness shall mean any bond, note or other evidence of indebtedness issued by the Authority in accordance with Section 206 of the Assessment Bond Trust Agreement which is secured by or payable from the Pledged Revenues and other amounts on deposit from time to time in the General Fund, provided that any such pledge shall not be prior or equal to the pledge thereof made hereby for the benefit of Sales Tax Bonds.

Hedge Agreement shall mean a payment exchange agreement, swap agreement, forward purchase agreement or any other hedge agreement entered into by the Authority providing for payments between the parties based on levels of, or changes in interest rates, stock or other indices or contracts to exchange cash flows or a series of payments or contracts, including without limitation, interest rate floors, or caps, options, puts or calls, which allows the Authority to manage or hedge payment, rate, spread or similar risk with respect to any Series of Assessment Bonds.

Historic Dedicated Sales Tax Revenue Amount shall mean (as of any date of computation) the dedicated sales tax revenue amount, as defined in Section 35T, for any consecutive 12 of the last 24 months, as determined by an Authorized Officer.

Indebtedness shall mean Assessment Bonds or Bond Anticipation Notes.

Interest Commencement Date shall mean, with respect to any particular Deferred Income Bond, the date prior to the maturity date thereof specified in the applicable Supplemental Agreement after which interest accruing on such Assessment Bond shall be payable on the first interest payment date immediately succeeding such Interest Commencement Date and periodically thereafter on the dates specified in the Supplemental Agreement authorizing such Deferred Income Bond.

Investment Agreement shall mean an agreement for the investment of moneys with, or unconditionally guaranteed by, a Qualified Institution but shall not mean an obligation of the type described in clause (ix) of the definition of Investment Obligation herein.

Investment Income shall mean income from Investment Obligations held in the Funds and Accounts established in the Assessment Bond Trust Agreement, other than (i) if so determined in a Supplemental Agreement, income from Investment Obligations purchased from the proceeds of such Assessment Bonds held in the Bond Proceeds Fund and (ii) income from Investment Obligations held in the Rebate Fund.

Investment Obligation shall mean and include any of the following securities, to the extent investment in such securities by the Authority is authorized under applicable law:

(i) a bond or other obligation which as to principal and interest constitutes a direct obligation of, or is unconditionally guaranteed by, the United States of America, including an obligation of any of the Federal Agencies described in clause (iii) below to the extent unconditionally guaranteed by the United States of America;

(ii) a bond or other obligation of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which is not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bond or other obligation by the obligor to give due notice of redemption and to call such bond or other obligation for redemption on the date or dates specified in such instructions, (b) which is secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described in clause (i) above which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bond or other obligation on the maturity date thereof or the redemption date specified in the irrevocable instructions referred to in subclause (a) of this

clause (ii), as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character described in clause (i) above which have been deposited in such fund, together with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bond or other obligation described in this clause (ii) on the maturity date thereof or on the redemption date specified in the irrevocable instructions referred to in subclause (a) of this clause (ii), as appropriate;

(iii) a bond, debenture, or other evidence of indebtedness issued or guaranteed at the time of the investment by the Student Loan Marketing Association, Federal National Mortgage Association, Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, the Tennessee Valley Authority, the United States Postal Service, Federal Farm Credit System Obligations, the Export Import Bank, the World Bank, the International Bank for Reconstruction and Developments, the Federal Home Loan Mortgage Corporation, the Resolution Funding Corporation, the U.S. Agency for International Development and the Inter-American Development Bank or any other agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America;

(iv) an obligation of any state of the United States of America or any political subdivision thereof or any agency, instrumentality or local government unit of any such state or political subdivision which shall be rated at the time of the investment in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by each Rating Agency;

(v) a certificate or other instrument that evidences ownership of the right to payment of the principal of or interest on obligations of any state of the United States of America or any political subdivision thereof or any agency or instrumentality of any state or political subdivision, provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under the Assessment Bond Trust Agreement, and provided further that the payment of all principal of and interest on such certificate or such instrument shall be fully insured or unconditionally guaranteed by, or otherwise unconditionally payable pursuant to a credit support arrangement provided by, one or more financial institutions or insurance companies or associations which at the date of investment shall have an outstanding, unsecured, uninsured and unguaranteed debt issue rated in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by any Rating Agency, or, in the case of an insurer providing municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bonds, such insurance policy shall result in such municipal bonds being rated in the highest rating category by any Rating Agency, without regard to any refinement or gradation of such rating;

(vi) time deposits, certificates of deposit or any other deposit with a bank, trust company, national banking association, savings bank, federal mutual savings bank, savings and loan association, federal savings and loan association or any other institution chartered or licensed by any state or the U.S. Comptroller of the Currency to accept deposits in such state (as used herein, "deposits" shall mean obligations evidencing deposit liability which rank at least on a parity with the claims of general creditors in liquidation), which are (a) fully secured, to the extent not insured by the Federal Deposit Insurance Corporation, by any of the obligations described in clauses (i) or (iii) above having a market value (exclusive of accrued interest) of not less than the uninsured amount of such deposit or (b) (1) unsecured or (2) secured to the extent, if any, required by the Authority and in either case made with a Qualified Institution;

(vii) a certificate that evidences ownership of the right to payments of principal of or interest on obligations described in clause (i), provided that such obligations shall be held in trust by a bank or trust company or a national banking association meeting the requirements for a successor Trustee under the Assessment Bond Trust Agreement;

(viii) a time deposit, certificate of deposit, whether negotiable or non-negotiable, and a banker's acceptance of one or more of the 50 largest banks in the United States or commercial paper issued by the parent holding company of any such bank which at the time of investment has an outstanding unsecured, uninsured and unguaranteed debt issue rated in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by any Rating Agency, (including the Trustee and its parent holding company, if any, if it otherwise qualifies);

(ix) any repurchase agreement with any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York which at the time of investment has an outstanding unsecured, uninsured and unguaranteed long-term debt issue or commercial paper issue rated in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by any Rating Agency (including the Trustee and its parent holding company, if any, if it otherwise qualifies), which agreement is secured by any one or more of the securities described in clause (i), (iii) or (vii) above which securities shall at all times have a market value (exclusive of accrued interest) of not less than the full amount of the repurchase agreement and be delivered to another bank or trust company organized under the laws of any state of the United States of America or any national banking association, as custodian;

(x) an Investment Agreement;

(xi) money market funds registered under the Federal Investment Company Act of 1940, as amended, whose shares are registered under the Federal Securities Act of 1933, and having a rating in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by any Rating Agency;

(xii) commercial paper, notes, bonds or other obligations of any corporation rated, at the time of investment, in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by any Rating Agency, without regard to refinement or gradation of such rating; and

(xiii) any other investment in which moneys of the Authority may be legally invested provided that at the time of such investment the Authority obtains written confirmation from each Rating Agency that such investment will not result in the reduction or suspension of the then existing rating on the Assessment Bonds by each such Rating Agency.

Liquidity Facility shall mean an irrevocable letter of credit, surety bond, loan agreement, Standby Purchase Agreement, line of credit or other agreement or arrangement issued or extended by a Qualified Institution, pursuant to which the Authority is entitled to obtain moneys upon the terms and conditions contained therein for the purchase or redemption of Assessment Bonds tendered for purchase or redemption in accordance with the terms of the Assessment Bond Trust Agreement.

Net Debt Service shall mean Debt Service payable on Assessment Bonds less (i) the sum of (a) interest accrued or to accrue on such Assessment Bonds which is to be paid from deposits in the Debt Service Fund from the proceeds of Assessment Bonds in accordance with a certificate of an Authorized Officer to the Trustee, (b) additional amounts transferred to the Debt Service Fund at the Authority's direction, (c) Investment Income from the Pledged Revenue Fund and any Account of the Bond Proceeds Fund established by Supplemental Agreement and held by the Trustee transferred or to be transferred in the current Fiscal Year to or retained in the Debt Service Fund and (d) Dedicated Payments deposited in the Debt Service Fund pursuant to the Assessment Bond Trust Agreement plus (ii) Debt Service payable on Bond Anticipation Notes issued in anticipation of Assessment Bonds net of any amounts deposited from the proceeds of such

notes available in the Debt Service Fund or in another account established in connection with the issuance of such notes for the payment of such Debt Service.

Opinion of Bond Counsel shall mean a legal opinion signed by Bond Counsel.

Outstanding, when used with reference to Assessment Bonds of a Series, shall mean, as of any date, Assessment Bonds or Bonds of such Series, theretofore or thereupon being authenticated and delivered, issued under the Assessment Bond Trust Agreement except:

- (i) any Assessment Bonds canceled by any Fiduciary at or prior to such date,
- (ii) Assessment Bonds (or portions of Assessment Bonds) for the payment or redemption of which moneys, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held in trust under the Assessment Bond Trust Agreement and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Assessment Bonds (or portions of Assessment Bonds) are to be redeemed, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice as provided in the Assessment Bond Trust Agreement;
- (iii) Assessment Bonds in lieu of or in substitution for which other Assessment Bonds shall have been authenticated and delivered pursuant to the Assessment Bond Trust Agreement unless proof satisfactory to the Trustee is presented that any such Assessment Bonds are held by a bona fide purchaser in due course;
- (iv) Assessment Bonds deemed to have been paid as provided in the Assessment Bond Trust Agreement; and
- (v) Put Bonds deemed tendered in accordance with the provisions of the applicable Supplemental Agreement on the applicable adjustment or conversion date, if the purchase price thereof and interest thereon shall have been paid or amounts are available for such payment as provided in the Assessment Bond Trust Agreement.

For purposes of the foregoing definition, any Assessment Bonds which are Bank Bonds shall be deemed Outstanding only in a principal amount equal to the principal amount of the obligation then owed by the Authority thereunder regardless of the face amount of such Bank Bond.

Paying Agent shall mean any paying agent for the Assessment Bonds of any Series, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Assessment Bond Trust Agreement.

Pledged Revenue Fund shall mean the Fund by that name established by the Assessment Bond Trust Agreement.

Pledged Revenues shall mean Assessments, payments received by the Authority from a Provider of a Hedge Agreement that is not a Qualified Hedge and Alternate Revenues, if any.

Principal Installment shall mean, as of any date of calculation and with respect to the Assessment Bonds of any Series, so long as any Assessment Bonds thereof are Outstanding, (i) the principal amount of Assessment Bonds (including the principal amount of any Put Bonds tendered for payment and not purchased in lieu of redemption prior to the redemption date thereof) of such Series due on a future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance of any Sinking Fund Installments due on a future date for Assessment Bonds of such Series, plus the amount of

the premium, if any, which would be applicable upon redemption of such Assessment Bonds on such future date in a principal amount equal to said unsatisfied balance of such Sinking Fund Installments, or (iii) if such future dates coincide as to different Assessment Bonds of such Series, the sum of such principal amount of Assessment Bonds and of such unsatisfied balance of Sinking Fund Installments due on such future date, plus such applicable redemption premium, if any.

Provider shall mean any person or entity providing a Credit Facility, a Liquidity Facility or a Qualified Hedge Agreement with respect to any one or more Series of Assessment Bonds, pursuant to agreement with or upon the request of the Authority.

Put Bond shall mean an Assessment Bond which by its terms may be tendered by and at the option of the Owner thereof for payment by the Authority prior to the stated maturity or redemption date thereof.

Qualified Hedge Agreement shall mean a Hedge Agreement which meets the tests of the Assessment Bond Trust Agreement.

Qualified Institution shall mean (i) a bank, a trust company, a national banking association, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America, a corporation, a trust, a partnership, an unincorporated organization, or a government or an agency, instrumentality, program, account, fund, political subdivision or corporation thereof, in each case the unsecured or uncollateralized long-term debt obligations of which, or obligations secured or supported by a letter of credit, contract, agreement or surety bond issued by any such organization, at the time an Investment Agreement, Qualified Hedge Agreement, Credit Facility or Liquidity Facility is entered into by the Authority are rated in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds by each Rating Agency or (ii) the Government National Mortgage Association or any successor thereto, the Federal National Mortgage Association or any successor thereto, or any other federal agency or instrumentality.

Qualified Reserve Fund shall mean any reserve fund that is held by the Trustee or the Authority and is designated by the Authority as a Qualified Reserve Fund; provided that the Authority has received a written confirmation from each Rating Agency that its published, unenhanced rating of the Assessment Bonds will not be adversely affected by such designation.

Qualified Reserve Fund Requirement shall mean such amount established in a certificate of an Authorized Officer delivered to the Trustee, provided that the Authority has received a written confirmation from each Rating Agency that its published, unenhanced rating of the Assessment Bonds will not be adversely affected by the Qualified Reserve Fund Requirement being equal to such amount.

Rating Agency shall mean each recognized rating service which maintains a published, unenhanced rating on any Outstanding Assessment Bonds at the request of the Authority.

Rebate Fund shall mean the Fund by that name established by the Assessment Bond Trust Agreement.

Rebate Fund Requirement shall mean, as of any date of calculation, an amount equal to the aggregate of the amounts, if any, specified in a certificate from an Authorized Officer of the Authority or the applicable Supplemental Agreement, as the amount required to be maintained in the Rebate Fund with respect to such Assessment Bonds.

Redemption Price shall mean, with respect to any Assessment Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the Assessment Bond Trust Agreement, but excluding accrued interest.

Refunding Bonds shall mean all Assessment Bonds authenticated and delivered on original issuance pursuant to the provisions under the heading “Special Provisions for Refunding Bonds.”

Residual Sales Tax shall mean for any year the greater of the Base Revenue Floor Amount and the Historic Dedicated Sales Tax Revenue Amount less the sum of (i) the estimated debt service on Prior Obligations, (ii) Senior Net Debt Service (as defined in the Sales Tax Bond Trust Agreement), (iii) Subordinated Net Debt Service (as defined in the Sales Tax Bond Trust Agreement) and (iv) debt service on other indebtedness (other than Indebtedness) secured by a pledge of or a security interest in and payable from the Dedicated Sales Tax.

Sales Tax Bonds shall mean any bond or bonds, any bond anticipation notes or other evidences of indebtedness and delivered under the Sales Tax Bond Trust Agreement.

Sales Tax Bond Trust Agreement shall mean the Massachusetts Bay Transportation Authority Sales Tax Bond Trust Agreement dated as of July 1, 2000 by and between the Authority and State Street Bank and Trust Company, as Trustee, as amended and supplemented from time to time.

Section 35T shall have the meaning provided in the Recitals to the Assessment Bond Trust Agreement.

Series shall mean all of the Assessment Bonds authenticated and delivered on original issuance and designated as such by the Authority in a simultaneous transaction pursuant to the Assessment Bond Trust Agreement and any Assessment Bonds thereafter authenticated and delivered in lieu of or in substitution therefor pursuant to the Assessment Bond Trust Agreement, regardless of variations in maturity, interest rate, sinking fund, or other provisions.

Sinking Fund Installment shall mean, as of any date of calculation and with respect to any Assessment Bonds of a Series, so long as any Assessment Bonds thereof are Outstanding, the amount of money required by the applicable Supplemental Agreement, to be paid on a single future date for the retirement of any Outstanding Assessment Bonds of said Series which mature after said date, but does not include any amount payable by the Authority by reason only of the maturity of an Assessment Bond.

Standby Purchase Agreement shall mean an agreement by and between the Authority and another entity pursuant to which such entity is obligated to purchase Put Bonds tendered for purchase or redeemed in lieu of purchase upon such tender.

State and Local Contribution Fund shall have the meaning provided in the Recitals to the Assessment Bond Trust Agreement.

Supplemental Agreement shall mean any trust agreement supplemental to or amendatory of the Trust Agreement, adopted by the Authority in accordance with the Assessment Bond Trust Agreement.

Trustee shall mean the trustee appointed under the Assessment Bond Trust Agreement, and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Assessment Bond Trust Agreement.

Valuation Date shall mean (i) with respect to any Capital Appreciation Bond the date or dates set forth in the applicable Supplemental Agreement on which specific Accreted Values are assigned to the Capital Appreciation Bond and (ii) with respect to any Deferred Income Bond, the date or dates on or prior to the Interest Commencement Date set forth in the applicable Supplemental Agreement on which specific Appreciated Values are assigned to the Deferred Income Bond.

Variable Interest Rate shall mean a variable interest rate to be borne by any Variable Interest Rate Bond. The method of computing such variable interest rate shall be specified in the applicable Supplemental Agreement. Such Supplemental Agreement shall also specify either (i) the particular period or periods of time for which each value of such variable interest rate shall remain in effect or (ii) the time or times upon which any change in such variable interest rate shall become effective.

Variable Interest Rate Bond shall mean an Assessment Bond which bears interest at a Variable Interest Rate.

The Pledge Effected by the Assessment Bond Trust Agreement

The Assessment Bonds are special obligations payable solely from the items pledged to the payment thereof pursuant to the terms of the Assessment Bond Trust Agreement.

The Assessment Bond Trust Agreement provides that there is pledged for the payment, first, of the Assessment Bonds and, as the respective interests of the holders thereof may appear, in accordance with the respective terms of such Bonds and the provisions of the Assessment Bond Trust Agreement, subject only to the provisions of the Assessment Bond Trust Agreement permitting the application thereof for or to the purposes and on the terms and conditions in the Assessment Bond Trust Agreement and therein set forth: (i) all Pledged Revenues, (ii) Dedicated Payments allocated to Assessment Bonds and interest earnings thereon, (iii) amounts received from the trustee under the Sales Tax Bond Trust Agreement in accordance with the Assessment Bond Trust Agreement, (iv) the Deficiency Fund and the Capital Maintenance Fund including the investments, if any, thereof, and (v) all Funds and Accounts established by the Assessment Bond Trust Agreement (other than the Bond Proceeds Fund while it is held and administered by the Authority and the Rebate Fund) including the investments, if any, thereof. (Section 201, 501).

Provisions for Issuance of Assessment Bonds

Assessment Bonds of one or more Series may at any time or from time to time be authenticated and delivered upon original issuance (i) to pay or provide for the payment of other Authority bonds, notes or other obligations, (ii) to refund Outstanding Assessment Bonds, (iii) to pay costs of the Authority in accordance with the Act, (iv) to make a deposit to the Bond Proceeds Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Deficiency Fund, the Capital Maintenance Fund or any Qualified Reserve Fund including any Accounts therein, and (v) to pay or provide for the payment of the costs incurred in connection with the issuance of Assessment Bonds.

The Assessment Bonds of a Series authorized to be issued shall be executed by the Authority and delivered to the Trustee. Such Assessment Bonds shall from time to time and in such amounts as directed by the Authority be authenticated and delivered by the Trustee to or upon the order of the Authority upon receipt of the consideration therefor and upon delivery to the Trustee of:

(1) An Opinion of Bond Counsel to the effect that (i) the Authority has the right and power under the Act to enter into the Assessment Bond Trust Agreement, and the Trust Agreement has been duly and lawfully approved by the Authority, and, assuming due authorization, execution and delivery by the Trustee, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for the Trust Agreement is required; (ii) the Trust

Agreement creates the valid pledge of the items which it purports to pledge to the payment of the Assessment Bonds pursuant to the Assessment Bond Trust Agreement, subject to the application thereof to the purposes and on the conditions permitted by the Trust Agreement; and (iii) the Assessment Bonds of such Series are valid and binding special obligations of the Authority as provided in the Trust Agreement, enforceable in accordance with their terms and the terms of the Trust Agreement, and entitled to the benefit of the Trust Agreement and of the Act and such Assessment Bonds have been duly and validly authorized and issued in accordance with law, including the Act, and in accordance with the Trust Agreement; provided, that such Opinion may take exception as to the effect of, or for restrictions or limitations imposed by or resulting from, bankruptcy, insolvency, debt adjustment, moratorium, reorganization or other similar laws affecting creditors' rights generally and judicial discretion and may state that no opinion is being rendered as to the availability of any particular remedy;

(2) A written order as to the delivery of the Assessment Bonds of such Series, signed by an Authorized Officer;

(3) Copies of the Trust Agreement as amended and supplemented and of the Supplemental Agreement authorizing such Series, each certified by an Authorized Officer;

(4) If any Assessment Bonds of such Series are Put Bonds, a Credit Facility or Liquidity Facility in such an amount as would provide sufficient moneys for the purchase or redemption of all Put Bonds of such Series if Owners thereof elected to tender for purchase or redemption the entire aggregate Outstanding principal amount of the Put Bonds of such Series;

(5) A certificate of an Authorized Officer:

(i) setting forth (a) the Net Debt Service for Outstanding Assessment Bonds after the issuance of such Series of Assessment Bonds for the then current and each future Fiscal Year during which such Series of Assessment Bonds shall be Outstanding; and (b) the Residual Sales Tax for the then current and each future Fiscal Year during which such Series of Assessment Bonds shall be Outstanding;

(ii) stating that the amount on deposit in the Debt Service Reserve Fund (after taking into account any surety bond, insurance policy, letter of credit or other similar obligation on deposit therein) immediately after the authentication and delivery of the Assessment Bonds of such Series (and in the event that any Outstanding Assessment Bonds are then being redeemed, after such redemption) will be at least equal to the Debt Service Reserve Requirement and

(iii) demonstrating that:

(a) (1) for each year, the Assessment Floor Amount divided by the amount set forth in clause (5)(i)(a) is (A) at least equal to 1.00 and (B) so long as Outstanding Assessment Bonds are rated by Moody's Investors Service, Inc., at least equal to 1.20 or such lesser amount as shall be acceptable to Moody's Investors Service, Inc; and

(2) for each year, the sum of the Assessment Floor Amount plus the Residual Sales Tax set forth in 5(i)(b) divided by the amount set forth in 5(i)(a) is at least equal to 1.50; or

(b) the aggregate of the amounts on deposit in each Qualified Reserve Fund shall equal the Qualified Reserve Fund Requirement.

In the event that at the time of delivery of such certificate, any Bond Anticipation Notes are Outstanding, such certificate shall assume that there are Assessment Bonds Outstanding in a principal amount equal to Outstanding principal amount of such Bond Anticipation Notes, which Assessment Bonds mature in 40 years, bear interest at the Estimated Average Rate, and the Principal Installments and interest due on such Assessment Bonds come due in substantially equal annual payments.

(6) A certificate of an Authorized Officer to the effect that, upon the authentication and delivery of the Assessment Bonds of such Series, the Authority will not be in default in the performance of the terms and provisions of the Trust Agreement or of any of the Assessment Bonds. (*Section 202*).

Special Provisions for Refunding Bonds

One or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all or any portion of the Outstanding Assessment Bonds of a Series, in an aggregate principal amount which will provide funds, together with other moneys available therefor, to accomplish such refunding.

The Refunding Bonds of such Series shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required by the Assessment Bond Trust Agreement of:

(1) If the Assessment Bonds to be refunded are to be redeemed, instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Assessment Bonds so to be refunded on a redemption date specified in such instructions, subject to the provisions of the Assessment Bond Trust Agreement;

(2) If the Assessment Bonds to be refunded are to be deemed paid within the meaning and with the effect expressed in the Assessment Bond Trust Agreement relating to defeasance of Assessment Bonds, instructions to the Trustee, satisfactory to it; and

(3) If the Assessment Bonds to be refunded are to be deemed paid within the meaning and with the effect expressed in the Assessment Bond Trust Agreement relating to defeasance of Assessment Bonds, (i) moneys and/or (ii) Investment Obligations (as defined in the Assessment Bond Trust Agreement) as shall be necessary to comply with the provision of the Assessment Bond Trust Agreement, which Investment Obligations and moneys shall be held in trust and used only as provided the Assessment Bond Trust Agreement;

(4) If the proceeds of such Series of Refunding Bonds are to be utilized by the Authority to purchase Assessment Bonds to be delivered to the Trustee in satisfaction of a Sinking Fund Installment or to defease a portion of the Assessment Bonds which are the subject of a Sinking Fund Installment in accordance with the Assessment Bond Trust Agreement, a certificate of an Authorized Officer of the Authority specifying (i) the principal amount, Series, maturity, interest rate and number of the Assessment Bonds to be so delivered, (ii) the date and Series of the Sinking Fund Installment in satisfaction of which such Assessment Bonds are to be so delivered, (iii) the aggregate principal amount of the Assessment Bonds to be so delivered, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of the Assessment Bonds to be so delivered; and

(5) Either (a) a certificate of an Authorized Officer of the Authority stating that (i) the final maturity of the Refunding Bonds is no later than the final maturity of the Assessment Bonds to be refunded and (ii) as a result of the issuance of the Refunding Bonds there shall be no increase in the amount of Debt Service in any Fiscal Year; or (b) the certificate provided for in the Assessment Bond Trust Agreement with respect to such Series of Refunding Bonds, considering for all purposes of such

certificate that (i) such Series of Refunding Bonds is a Series of Assessment Bonds issued pursuant to the Assessment Bond Trust Agreement and (ii) that the Assessment Bonds to be refunded are no longer Outstanding.

The proceeds, including accrued interest, of the Refunding Bonds of each such Series shall be applied simultaneously with the delivery of such Assessment Bonds in the manner provided in the Supplemental Agreement authorizing such Assessment Bonds. (*Section 204*).

Bond Anticipation Notes

Whenever the Authority shall authorize the issuance of a Series of Assessment Bonds (without necessity for the Authority to have entered into a Supplemental Agreement providing for such issue or to have satisfied the conditions set forth in the Assessment Bond Trust Agreement, the Authority may by resolution authorize the issuance of notes (and renewals thereof) in anticipation of the sale of such authorized Series of Assessment Bonds. The principal of and interest on such notes and renewals thereof shall be payable from the proceeds of such notes, from the proceeds of the sale of the Series of Assessment Bonds in anticipation of which such Notes are issued or from funds of the Authority. The proceeds of such Assessment Bonds may be pledged for the payment of the principal of and interest on such notes and any such pledge shall have a priority over any other pledge of such proceeds created by the Assessment Bond Trust Agreement. The Authority may secure the payment of the interest on such notes by a pledge that is on a parity with the pledge under the Assessment Bond Trust Agreement securing all Assessment Bonds, in which event such interest shall be payable from the Debt Service Fund. The Authority may also pledge the Pledged Revenues and other Authority funds to the payment of the principal of such notes, but such pledge shall be subordinate to the pledge securing the payment of the Assessment Bonds. A copy of the resolution of the Authority authorizing such notes, certified by an Authorized Representative of the Authority, shall be delivered to the Trustee following its adoption. The aggregate principal amount of notes issued under this heading which may be Outstanding at any time shall be limited as and to the extent provided in the Act. (*Section 205*).

Additional Obligations

The Authority reserves the right to issue bonds, notes or any other obligations or otherwise incur indebtedness or to enter into a hedge agreement pursuant to other and separate resolutions or agreements of the Authority, so long as such bonds, notes or other obligations are not, or such other indebtedness or provider of the hedge agreement is not, except as provided in the Assessment Bond Trust Agreement, entitled to a charge or lien or right with respect to the Pledged Revenues or the Funds and Accounts created hereby or pursuant hereto. Notwithstanding the foregoing, the Authority may by Supplemental Resolution issue bonds, notes or any other obligations or enter into a hedge agreement entitled to a charge or lien or right with respect to the Pledged Revenue or the Funds and Accounts under the Assessment Bond Trust Agreement, so long as amounts payable on such obligations or under such agreement shall be payable after the deposits set forth in the Assessment Bond Trust Agreement. (*Section 206*).

Hedging Transactions

A Hedge Agreement is a Qualified Hedge Agreement if (i) the Provider of the Hedge Agreement is a Qualified Institution or the Provider's obligations under the Hedge Agreement are unconditionally guaranteed by a Qualified Institution and (ii) the Authority designates it as such by Certificate of an Authorized Officer.

If the Authority shall enter into any Qualified Hedge Agreement with respect to any Assessment Bonds and the Authority has made a determination that the Qualified Hedge Agreement was entered into for the purpose of hedging or managing the interest due with respect to those Assessment Bonds then

during the term of the Qualified Hedge Agreement and so long as the Provider of the Qualified Hedge Agreement is not in default:

(1) for purposes of any calculation of Debt Service, the interest rate on the Assessment Bonds with respect to which the Qualified Hedge Agreement applies shall be determined as if such Assessment Bonds had interest payments equal to the interest payable on those Assessment Bonds less any payments reasonably expected to be made to the Authority by the Provider and plus any payments reasonably expected to be made by the Authority to the Provider in accordance with the terms of the Qualified Hedge Agreement (other than fees or termination payments payable to such Provider for providing the Qualified Hedge Agreement);

(2) any such payments (other than fees and termination payments) required to be made by the Authority to the Provider pursuant to such Qualified Hedge Agreement shall be made from amounts on deposit in the Debt Service Fund;

(3) any such payments received by or for the account of the Authority from the Provider pursuant to such Qualified Hedge Agreement shall be deposited in the Debt Service Fund;

(4) fees and termination payments, if any, payable to the Provider pursuant to such Qualified Hedge Agreement, other than solely as a result of an event of default with respect to the Provider or event affecting the Provider, shall be paid from amounts on deposit in the General Fund; and

(5) fees and termination payments, if any, payable to the Provider pursuant to such Qualified Hedge Agreement solely as a result of an event of default with respect to the Provider or event affecting the Provider shall be a general unsecured obligation of the Authority.

If the Authority shall enter into a Hedge Agreement that is not a Qualified Hedge Agreement, then:

(1) the interest rate adjustments or assumptions referred to in clause (1) under this heading shall not be made;

(2) any and all payments required to be made by the Authority to the Provider pursuant to such Hedge Agreement, other than solely as a result of an event of default with respect to the Provider or event affecting the Provider, may be made be paid from amounts on deposit in the General Fund if and to the extent expressly provided in the Hedge Agreement; and

(3) fees and termination payments payable to the Provider solely as a result of an event of default with respect to the Provider or event affecting the Provider and, if not expressly provided in the Hedge Agreement to be paid from amounts on deposit in the General Fund, other payments required to be made by the Authority to the Provider under the Hedge Agreement shall be a general unsecured obligation of the Authority. (*Section 104*).

Redemption of Assessment Bonds

Assessment Bonds subject to redemption prior to maturity pursuant to a Supplemental Agreement shall be redeemable, upon notice as provided in the Assessment Bond Trust Agreement, at such times, at such Redemption Prices and upon such terms as may be specified in the Assessment Bond Trust Agreement or in the Supplemental Agreement authorizing such Series.

In the case of any redemption of Assessment Bonds otherwise than as provided in the third paragraph under this heading, the Authority shall give written notice to the Trustee of its election so to

redeem, of the redemption date, of the Series, of the principal amounts of the Assessment Bonds of each maturity of such Series to be redeemed and, if applicable, of the amount of each Sinking Fund Installment within each such maturity to be redeemed (which Series, maturities and principal amounts thereof to be redeemed and Sinking Fund Installments shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in any Supplemental Agreement). Such notice shall be given at least 45 days prior to the redemption date or such shorter period as shall be acceptable to the Trustee.

Whenever by the terms of the Assessment Bond Trust Agreement or a Supplemental Agreement, Assessment Bonds are required to be redeemed otherwise than at the election of the Authority, the Authority may subject to the provision of any related Supplemental Agreement select the Series of Assessment Bonds, the principal amounts of the Assessment Bonds of each maturity of such Series to be redeemed and, except in the case of mandatory sinking fund redemption, of the amount of such Sinking Fund Installment, if applicable, within such maturity to be redeemed (which Series, maturities and principal amounts thereof to be redeemed and Sinking Fund Installments shall be determined by the Authority in its sole discretion, subject to any limitations with respect thereto contained in the Assessment Bond Trust Agreement or a Supplemental Agreement) and in the event the Authority does not notify the Trustee of such Series, maturities and principal amounts to be redeemed on or before the 45th day preceding the redemption date, the Trustee shall select the Assessment Bonds to be redeemed, give the notice of redemption and apply the moneys available therefor to redeem on the redemption date at the Redemption Price therefor, together with accrued interest to the redemption date, all of the Assessment Bonds to be redeemed.

In the event of redemption of less than all of the Outstanding Assessment Bonds of like maturity of any Series shall be called for prior redemption, the particular Assessment Bonds or portions of Assessment Bonds to be redeemed shall be selected by the Trustee by lot, or in such other manner as the Trustee in its discretion may deem fair and appropriate subject to any limitation with respect thereto contained in the applicable Supplemental Agreement. For purposes of the provisions under this heading, the minimum denomination of a Capital Appreciation Bond shall be the lowest Accreted Value authorized to be due at maturity on such Assessment Bonds, and the minimum denomination of a Deferred Income Bond shall be the lowest Appreciated Value on the Interest Commencement Date authorized for such Assessment Bonds.

Notice of the call for any redemption of Assessment Bonds prior to maturity shall be given as provided in the applicable Supplemental Agreement. (*ARTICLE IV*).

Establishment of Funds and Accounts

The following Funds and Accounts, which shall be held and administered by the Trustee, are hereby established:

- (1) Pledged Revenue Fund;
- (2) Debt Service Fund;
- (3) Debt Service Reserve Fund; and
- (4) General Fund.

Amounts held at any time by the Trustee in any of the Funds and Accounts established pursuant to the Assessment Bond Trust Agreement or under the Bond Proceeds Fund pursuant to a Supplemental Agreement shall be held in trust for the Owners of the Assessment Bonds separate and apart from all

other funds of the Trustee, but shall nevertheless be disbursed, allocated and applied solely for the uses and purposes provided in the Assessment Bond Trust Agreement.

The following Funds and Accounts, which shall be held and administered by the Authority, are hereby established:

- (1) Bond Proceeds Fund, which shall include the Capital Account and such other Accounts created by Supplemental Agreement; and
- (2) Rebate Fund.

Amounts held at any time by the Authority in any of the Funds and Accounts established pursuant to the Assessment Bond Trust Agreement shall not be held in trust for the benefit of the Owners of Assessment Bonds, but shall be disbursed, allocated and applied solely for the uses and purposes provided in the Assessment Bond Trust Agreement. Additional funds, accounts or subaccounts may be created for other purposes by any Supplemental Agreement. Notwithstanding the foregoing, the Authority by Supplemental Agreement authorizing a Series of Assessment Bonds may designate that one or more Accounts in the Bond Proceeds Fund created by such Supplemental Agreement be held and administered by the Trustee and pledged to the Owners of the Assessment Bonds. (*Section 502*).

Bond Proceeds Fund

The Authority shall deposit into the Bond Proceeds Fund the net proceeds of all Assessment Bonds, other than Refunding Bonds, issued for direct expenditures to be made by the Authority, which net proceeds shall be in the amount and applied as set forth in the applicable Supplemental Agreement. (*Section 503*).

Pledged Revenue Fund and Application Thereof

The Authority shall, immediately following the issuance and delivery of any Assessment Bonds under the Assessment Bond Trust Agreement, transfer to the Trustee for payment into the Pledged Revenue Fund all Pledged Revenues as received, except Investment Income required by the terms of the Assessment Bond Trust Agreement to be deposited in another Fund or Account. Amounts in the Pledged Revenue Fund shall be deposited in, or credited to, as appropriate, on the last Business Day of each of March, June, September and December, the following Funds and Accounts, in the amounts and in the order and priority, as follows:

- (1) Into the Debt Service Fund, the amount, if any, required so that the balance in said Fund shall equal the Net Debt Service (less Investment Income from the Debt Service Fund and the Debt Service Reserve Fund transferred or to be transferred in the current Fiscal Year or retained in the Debt Service Fund) and the fees and charges related to Credit Facilities, Liquidity Facilities, and Qualified Hedge Agreements accrued or accruing through the next succeeding quarter, provided that if amounts in the Pledged Revenue Fund are insufficient to meet such required balance, the Trustee shall draw amounts from the Sales Tax Bond Trust Agreement in accordance with the Assessment Bond Trust Agreement;
- (2) Into the Debt Service Reserve Fund, the amount, if any, required for such Fund, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to the Assessment Bond Trust Agreement and subject to the provisions of thereto to, equal the Debt Service Reserve Requirement as of the last day of the then current quarter; provided, however, that the provisions in the sixth paragraph under the heading “Debt Service Reserve Fund” shall govern any replenishment required after a withdrawal from such Fund;

(3) To the Authority for credit to the Rebate Fund, notwithstanding any other provisions of under this heading, such Pledged Revenues at such times and in such amounts as shall be set forth in a certificate of an Authorized Officer;

(4) If the Trustee shall have received a certificate from the trustee under the Sales Tax Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement, to such trustee the amount set forth in such certificate;

(5) To the General Fund, the amount set forth in an certificate of an Authorized Officer for the payment of certain amounts under Hedge Agreements; and

(6) To the Authority, the moneys remaining on deposit in the Pledged Revenue Fund after making the foregoing deposits.

In determining the amounts to be transferred to the Authority for deposit in the Funds and Accounts held by the Authority, the Trustee may rely exclusively on a certificate of an Authorized Officer setting forth such amounts, which certificate shall be timely provided to the Trustee by the Authority. (*Section 504*).

Rebate Fund

Upon the issuance, sale and delivery of any Series of Assessment Bonds subject to the Rebate Fund Requirement, there shall be established in the Rebate Fund a separate account for such Series. Funds on deposit in the Rebate Fund shall be applied, as set forth in the applicable Supplemental Agreement or a certificate of an Authorized Officer. Unless otherwise specified in the applicable Supplemental Agreement or certificate of an Authorized Officer, interest or other income derived from the investment or deposit of moneys in the Rebate Fund shall be retained in the Rebate Fund. (*Section 505*).

Debt Service Fund

The Trustee shall pay out of the Debt Service Fund to the respective Paying Agents (i) on or before each interest payment date for any of the Assessment Bonds, the amount required for the interest payable on such date; (ii) on or before each Principal Installment due date, the amount required for the Principal Installment for Assessment Bonds payable on such due date; and (iii) on or before any redemption date for the Assessment Bonds, the amount required for the payment of the Redemption Price of and interest on the Assessment Bonds then to be redeemed; provided, however, that if with respect to any Series of Assessment Bonds or portions thereof the amounts due on any such interest payment date and/or Principal Installment due date and/or redemption date are intended to be paid from a source other than amounts in the Debt Service Fund prior to any application of amounts in the Debt Service Fund to such payments, the Trustee shall not pay any such amounts to the Paying Agent until such amounts have failed to be provided from such other source at the time required and, if any such amounts due are paid from such other source, the Trustee shall apply the amounts in the Debt Service Fund to provide reimbursement for such payment from such other source, as provided in the agreement governing reimbursement of such amounts to such other source. Such amounts shall be applied by the Paying Agents on and after the due dates thereof. The Trustee shall also pay out of the Debt Service Fund (i) the accrued interest included in the purchase price of Assessment Bonds purchased for retirement and (ii) upon written instructions of the Authority, any fees and charges related to Credit Facilities, Liquidity Facilities and Qualified Hedge Agreements.

The amount, if any, deposited in the Debt Service Fund from the proceeds of each Series of Assessment Bonds shall be set aside in such Fund and applied to the payment of interest on Assessment Bonds as provided and the Supplemental Agreement relating to the issuance of such Series of Assessment Bonds.

In the event the amount on deposit in the Debt Service Fund shall be less than the requirement of such Fund pursuant to the Assessment Bond Trust Agreement, the Trustee shall provide a certificate to the Authority and the trustee under the Sales Tax Bond Trust Agreement setting forth the amount of the shortfall and shall receive such amount (to the extent available) from the Pledged Revenue Fund under the Sales Tax Bond Trust Agreement in accordance with the Sales Tax Bond Trust Agreement.

In the event of the refunding of any Assessment Bonds, the Authority may direct the Trustee to withdraw from the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Assessment Bonds being refunded and deposit such amounts in a separate account with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, of and interest on the Assessment Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter Assessment Bonds being refunded shall be deemed to have been paid pursuant to the Assessment Bond Trust Agreement, and (b) the amount remaining in the Debt Service Fund, after giving effect to the issuance of Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the requirement of such Fund pursuant to the Assessment Bond Trust Agreement. In the event of such refunding, the Authority may also direct the Trustee to withdraw from the Debt Service Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Assessment Bonds being refunded and deposit such amounts in any Fund or Account under the Assessment Bond Trust Agreement; provided, however, that such withdrawal shall not be made unless clauses (a) and (b) referred to hereinabove have been satisfied and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in any Fund or Account held under the Assessment Bond Trust Agreement (other than the Fund or Account into which such amount is being transferred). (*Section 506*).

The Seventh Supplemental Trust Agreement provides that, with respect to the Bonds the Authority may at any time prior to November 13, 2011 transfer funds from the Bond Proceeds Fund to the Trustee for deposit in the Debt Service Fund to pay interest on the Bonds. Subsequent transfers from the Revenue Fund to the Debt Service Fund are adjusted accordingly.

Debt Service Reserve Fund

If on the last Business Day of each quarter the amount in the Debt Service Fund shall be less than the amount required to be in such Fund pursuant to the Assessment Bond Trust Agreement, after deposit of any Funds received from the Sales Tax Bond Trust Agreement in accordance with the Assessment Bond Trust Agreement, the Trustee shall transfer to the Debt Service Fund (in such order) amounts from the Debt Service Reserve Fund equal to the deficiency.

Whenever the moneys on deposit in the Debt Service Reserve Fund shall exceed the Debt Service Reserve Requirement, such excess may be, in the discretion of the Authority, transferred by the Trustee to the Debt Service Fund or, if approved by an Opinion of Bond Counsel, to any Fund or Account specified by the Authority.

Whenever the amount in the Debt Service Reserve Fund, together with the amount in the Debt Service Fund, is sufficient to pay in full all Outstanding Assessment Bonds in accordance with their terms (including principal or applicable Sinking Fund Installments thereof and interest thereon), the amounts on deposit in the Debt Service Reserve Fund may, in the discretion of the Authority, be transferred to the Debt Service Fund. Prior to said transfer, all investments held in the Debt Service Reserve Fund shall be liquidated to the extent necessary in order to provide for the timely payment of principal or Redemption Price and interest on Assessment Bonds.

In lieu of the required deposits and transfers to the Debt Service Reserve Fund or as a replacement or substitution for any moneys or Investment Obligations then on deposit in the Debt Service

Reserve Fund, the Authority may at any time cause to be deposited into the Debt Service Reserve Fund for the benefit of the Owners of the Assessment Bonds a surety bond, an insurance policy, a letter of credit or other similar obligation (and may replace such surety bond, insurance policy, letter of credit or similar obligation from time to time) providing for payments in an amount equal to the difference between the Debt Service Reserve Requirement and the sums, if any, then on deposit in the Debt Service Reserve Fund or being deposited in the Debt Service Reserve Fund concurrently with such surety bond, insurance policy, letter of credit or other similar obligation. The surety bond, insurance policy, letter of credit or other similar obligation shall be payable (upon the giving of notice as required thereunder) on any date on which moneys will be required to be withdrawn from the Debt Service Reserve Fund and applied to the payment of a Principal Installment of or interest on any Assessment Bonds and such withdrawal cannot be met by moneys and Investment Obligations on deposit in the Debt Service Reserve Fund. The insurer providing such surety bond or insurance policy shall be an insurer (i) whose municipal bond insurance policies, at the time of issue of such surety bond or insurance policy, insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds, by any Rating Agency or (ii) who holds the highest policy-holder rating accorded Insurers by any Rating Agency. The letter of credit issuer shall be a bank or trust company which at the time of issuance of the letter of credit has an outstanding, unsecured, uninsured and unguaranteed debt issue rated in a category equal to or higher than its unenhanced, published rating on Outstanding Assessment Bonds, by any Rating Agency. If a disbursement is made pursuant to a surety bond, an insurance policy, a letter of credit or other similar obligation provided pursuant to this paragraph, the Authority shall be obligated, but only from the sources of payment specified in the Assessment Bond Trust Agreement, either (i) to reinstate the maximum limits of such surety bond, insurance policy, letter of credit or other similar obligation, (ii) to deposit into the Debt Service Reserve Fund, funds in the amount of the disbursement made under such surety bond, insurance policy, letter of credit or other similar obligation, (iii) to promptly deposit into the Debt Service Reserve Fund a different surety bond, insurance policy, letter of credit or other similar obligations having a maximum limit equal to the amount of the disbursement made under the existing surety bond, insurance policy, letter of credit or other similar obligation, or (iv) to utilize any combination of the alternatives set forth in clauses (i), (ii) or (iii) above as shall provide that the amount in the Debt Service Reserve Fund equals the Debt Service Reserve Requirement. Subject to the provisions of the last paragraph under this heading, moneys and Investment Obligations on deposit in the Debt Service Reserve Fund may, if required by the terms of any surety bond, letter of credit or other similar obligation, be utilized by the Authority to repay any drawings on such surety bond, letter of credit or other similar obligation, but only if such repayment will result in a reinstatement of the amount available to be drawn under such surety bond, letter of credit or other similar obligation in an amount at least equal to the amount of such repayment.

In the event of the refunding of any Assessment Bonds, the Authority may direct the Trustee to withdraw from the Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to the Assessment Bonds being refunded and deposit such amounts with the Trustee in a separate account to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Assessment Bonds being refunded; provided that such withdrawal shall not be made unless (a) immediately thereafter the Assessment Bonds being refunded shall be deemed to have been defeased, and (b) the amount remaining in the Debt Service Reserve Fund, after giving effect to the issuance of any Refunding Bonds and the disposition of the proceeds thereof and to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to the fourth paragraph under this heading, shall not be less than the Debt Service Reserve Requirement. In the event of such refunding, the Authority may also direct the Trustee to withdraw from the Debt Service Reserve Fund all, or any portion of, the amounts accumulated therein with respect to Debt Service on the Assessment Bonds being refunded and deposit such amounts in any Fund or Account under the Assessment Bond Trust Agreement; provided, however, that such withdrawal shall not be made unless items (a) and (b) referred to hereinabove have been satisfied.

Regardless of the provisions under the heading “Pledged Revenues and Application Thereof,” in the event that at any time the amount on deposit in the Debt Service Reserve Fund, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in such Fund pursuant to the provisions in the Assessment Bond Trust Agreement, shall be less than the Debt Service Reserve Requirement as a result of any withdrawal from said Fund or as a result of the valuation of such Fund performed in accordance with the Assessment Bond Trust Agreement, the Authority shall restore the amount on deposit in the Debt Service Reserve Fund, after giving effect to any surety bond, insurance policy, letter of credit or other similar obligation deposited in said Fund pursuant to the Assessment Bond Trust Agreement, to the Debt Service Reserve Requirement, in the case of restoration after a withdrawal in twelve (12) equal monthly installments commencing within ninety (90) days of such withdrawal, and in the case of restoration as a result of valuation in six (6) equal monthly installments commencing thirty (30) days after such valuation. (*Section 507*).

General Fund

If, on the last Business Day of any month, the amount in the Debt Service Fund shall be less than the amount required to be deposited therein on such date or the amount in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Requirement, the Authority shall transfer from any or all accounts within the General Fund to the credit of the respective Funds the amount necessary (or all the moneys credited to the General Fund if less than the amount necessary) to make up such deficiency.

To the extent not required to make up any such deficiency, amounts in the General Fund may, upon the direction of an Authorized Officer of the Authority, be transferred to any Fund or Account, transferred to the Authority free and clear of the lien of the Assessment Bond Trust Agreement for any of its corporate purposes consistent with the Act, or applied to the payment of debt service on General Fund Indebtedness or the payment of any General Fund Expenses. (*Section 510*).

Investment of Funds

Amounts in the Funds and Accounts established by the Assessment Bond Trust Agreement may be invested by the Trustee at the written direction of the Authority or by the Authority, as the case may be, only in Investment Obligations. To the extent not used to meet the requirement of such Funds and Accounts, income from such Investment Obligations held in the Pledged Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund and in any Account of the Bond Proceeds Fund established by Supplemental Agreement and held by the Trustee shall be credited to the Debt Service Fund; provided, however, that in order to comply with the provisions under the heading “Tax Covenant” herein the Authority may provide in the Supplemental Agreement authorizing a series of Assessment Bonds that earnings on the Debt Service Fund and Debt Service Reserve Fund, as applicable, shall be transferred to the Capital Account of the Bond Proceeds Fund, to the extent such earnings exceed the amount needed to meet the obligations under paragraph (1) under the heading “Pledged Revenue Fund and Application Thereof.” The income from any Investment Obligations in the Rebate Fund and in the Bond Proceeds Fund or in a separate account or sub-account therein shall be held in such Fund, Account or sub-account for the purposes thereof. The Trustee and the Authority shall sell any Investment Obligations held in any Fund or Account to the extent required for payments from such Fund or Account. The proceeds of such sales, and of all payments at maturity or upon redemption of such investments, shall be held in the applicable Fund or Account to the extent required to meet the requirements of such Fund or Account. In computing the amount of such Funds and Accounts, investments shall be valued at par, or if purchased at other than par, shall be valued at Amortized Value. Accrued interest received upon the sale of any Investment Obligation shall be treated as income from such Investment Obligation for purposes of the provisions under this heading.

In making any investment in any Investment Obligations with moneys in any Fund or Account established under the Assessment Bond Trust Agreement, the Trustee and the Authority may combine such moneys with moneys in any other Fund or Account held by it, but solely for purposes of making such investment in such Investment Obligations.

Nothing in the Assessment Bond Trust Agreement shall prevent any Investment Obligations acquired as investments of or security for any Fund or Account held under the Assessment Bond Trust Agreement from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

Each investment of any moneys in any Fund or Account established under the Assessment Bond Trust Agreement shall permit the moneys so deposited or invested to be available for use at the times at which the Authority reasonably believes such moneys will be required for the purposes above.

The Trustee is hereby authorized, in making or disposing of any investment permitted by this Trust Agreement, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person dealing as principal for its own account. (*Section 508*).

Satisfaction of Sinking Fund Installments

Any amount accumulated in the Debt Service Fund up to the unsatisfied balance of each respective Sinking Fund Installment may be applied (together with amounts accumulated in such Debt Service Fund with respect to interest on the Assessment Bonds for which such Sinking Fund Installment was established) by the Trustee at the direction of the Authority prior to the forty-fifth day preceding the due date of such Sinking Fund Installment as follows:

(1) to the purchase of Assessment Bonds of the maturity for which such Sinking Fund Installment was established, at prices (including any brokerage and other charges) not exceeding the principal amount of such Assessment Bonds plus unpaid interest accrued to the date of purchase, such purchases to be made in such manner as the Authority shall determine; or

(2) to the redemption of such Assessment Bonds if then redeemable by their terms at the price referred to in clause (1) above.

All Assessment Bonds so purchased or redeemed shall be delivered to the Trustee for cancellation prior to the forty-fifth day preceding the due date of such Sinking Fund Installment. The principal amount of any Assessment Bonds so purchased or redeemed shall be deemed to constitute part of the Debt Service Fund until such Sinking Fund Installment date, for the purpose of calculating the amount of such Fund.

Upon the purchase or redemption of any Assessment Bond pursuant to clause (1) under this heading, an amount equal to the principal amount of the Assessment Bonds so purchased or redeemed shall be credited toward the next Sinking Fund Installment thereafter to become due with respect to the Assessment Bonds of such maturity and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Installment shall be credited by the Trustee against future Sinking Fund Installments as specified in a Supplemental Agreement. Concurrently with the delivery of such Assessment Bonds the Authority shall deliver to the Paying Agent and to the Trustee a certificate of an Authorized Officer specifying (i) the principal amount, Series, maturity, interest rate and numbers of the Assessment Bonds so delivered, (ii) the date of the Sinking Fund Installment in satisfaction of which such Assessment Bonds are so delivered, (iii) the aggregate principal amount of the Assessment Bonds so

delivered, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of such Assessment Bonds.

Upon the purchase or redemption of any Series of Assessment Bonds for which Sinking Fund Installments shall have been established, an amount equal to the principal amount of the Assessment Bonds so purchased or redeemed shall be credited toward future Sinking Fund Installments in such order as the Authority shall determine. In satisfaction, in whole or in part, of any Sinking Fund Installment, the Authority may deliver to the Trustee at least forty-five days prior to the date of such Sinking Fund Installment, for cancellation, Assessment Bonds purchased or redeemed, except Assessment Bonds purchased or redeemed pursuant to the provisions of clause (1) under this heading, of the Series and maturity entitled to such Sinking Fund Installment. All Assessment Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate principal amount of such Assessment Bonds. Concurrently with such delivery of such Assessment Bonds the Authority shall deliver to the Paying Agent and to the Trustee a certificate of an Authorized Officer specifying (i) the principal amount, Series, maturity, interest rate and numbers of the Assessment Bonds so delivered, (ii) the date of the Sinking Fund Installment in satisfaction of which such Assessment Bonds are so delivered, (iii) the aggregate principal amount of the Assessment Bonds so delivered, and (iv) the unsatisfied balance of each such Sinking Fund Installment after giving effect to the delivery of such Assessment Bonds.

The Trustee shall, upon receipt of the notice required by the Assessment Bond Trust Agreement and in the manner provided in the Assessment Bond Trust Agreement or in the Supplemental Agreement authorizing the Series of Assessment Bonds of which the Assessment Bonds to be redeemed are part, call for redemption on the date of each Sinking Fund Installment falling due prior to maturity Assessment Bonds of the Series, maturity and interest rate within each maturity for which such Sinking Fund Installment was established (except in the case of Assessment Bonds maturing on a Sinking Fund Installment date) in such amount as is required to exhaust the unsatisfied balance of such Sinking Fund Installment.

The Trustee shall pay out of the Debt Service Fund as applicable, to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Assessment Bonds so called for redemption (or for the payment of such Assessment Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Assessment Bonds shall be paid by the Authority.

Except as may be otherwise provided with respect to Put Bonds in the Supplemental Agreement providing for the issuance thereof, all Assessment Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Assessment Bonds, together with all Assessment Bonds purchased or redeemed which have been delivered to the Trustee for application as a credit against Sinking Fund Installments, and all Assessment Bonds purchased by the Trustee, shall thereupon be promptly canceled. (*Section 509*).

Particular Covenants of the Authority:

Payment of Assessment Bonds

The Authority shall duly and punctually pay or cause to be paid the principal or Redemption Price of every Assessment Bond and the interest thereon, at the dates and places and in the manner mentioned in the Assessment Bonds, according to the true intent and meaning thereof, and shall duly and punctually satisfy all Sinking Fund Installments which may be established for any Series. Except as in the Assessment Bond Trust Agreement otherwise provided, the principal or Redemption Price of such Assessment Bonds and the interest thereon are payable solely from Pledged Revenues which Pledged Revenues are pledged thereunder to the payment thereof in the manner and to the extent particularly specified in the Assessment Bond Trust Agreement, and nothing in the Assessment Bonds or in the Assessment Bond Trust Agreement shall be construed as obligating the Commonwealth or any political subdivision thereof to pay the Assessment Bonds or the interest thereon except from such Pledged Revenues or as pledging the faith and credit or taxing power of the Commonwealth or of any such political subdivision. (*Section 601*).

Power to Issue Assessment Bonds and Pledge Pledged Revenues and Other Funds

The Authority is duly authorized under all applicable laws to create and issue the Assessment Bonds and to adopt the Assessment Bond Trust Agreement and to pledge the Pledged Revenues and other moneys, securities and funds purported to be pledged by the Assessment Bond Trust Agreement in the manner and to the extent provided in the Assessment Bond Trust Agreement. Except to the extent otherwise provided in the Assessment Bond Trust Agreement, the Pledged Revenues and other moneys, securities, funds and accounts so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the Assessment Bond Trust Agreement, and all corporate action on the part of the Authority to that end has been duly and validly taken. The Assessment Bonds and the provisions of the Trust Agreement are and will be the valid and legally enforceable obligations of the Authority in accordance with their terms and the terms of the Assessment Bond Trust Agreement. The Authority shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues and other moneys, securities, funds and accounts pledged under the Assessment Bond Trust Agreement and all the rights of the Bondowners under the Assessment Bond Trust Agreement against all claims and demands of all persons whomsoever. (*Section 604*).

Dedicated Payments

In the Authority's discretion, revenues of the Authority which are not Pledged Revenues as defined in the Assessment Bond Trust Agreement as initially adopted may be pledged and designated as Dedicated Payments by resolution of the Authority, provided the conditions in one of the three following sentences of this paragraph are satisfied. If such Dedicated Payments are to be received from the United States of America, (a) they must automatically recur without appropriation, approval or other similar action by the United States of America or any agency or instrumentality thereof for so long as the Authority is relying thereon for the purpose of issuing Assessment Bonds and (b) the manner of determining the amounts to be derived therefrom must not be subject to change or revision during such period. If such Dedicated Payments are to be received from the Commonwealth, they must consist of a payment obligation payable to the Authority pursuant to a statutory or contractual arrangement with the Commonwealth which, in the opinion of Bond Counsel, constitutes a general obligation of the Commonwealth; provided that at the time of entering into such arrangement (a) such arrangement, by its terms, will not terminate so long as the Authority is relying thereon for the purpose of issuing Assessment Bonds and (b) the manner of determining the amounts to be derived from such arrangement is not subject to change or revision during such period. Notwithstanding the source of funding, if the Authority has received a written confirmation from each Rating

Agency that its published unenhanced rating of Outstanding Assessment Bonds will not be adversely affected, the Authority may, in its sole discretion, designate any revenues which are not Pledged Revenues as Dedicated Payments.

All Dedicated Payments shall be deposited upon receipt in the Debt Service Fund, as determined by such Certificate of an Authorized Officer. The Authority may in its discretion reverse or modify any pledge and designation of Dedicated Revenues by a further resolution and any determination to deposit Dedicated Payments in the Debt Service Fund may be reversed or modified by Certificate of an Authorized Officer, provided that a Certificate of an Authorized Officer shall establish that following any such reversal or modification the Authority will meet the test for incurring \$1 (one dollar) of additional Assessment Bonds set forth in the Assessment Bond Trust Agreement. (*Section 605*).

Accounts and Reports

The Authority shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of the Funds established by this Trust Agreement, and which shall at all times be subject to the inspection of the Trustee and the Owners of an aggregate of not less than twenty-five percent (25%) in principal amount of the Assessment Bonds then Outstanding or their representatives duly authorized in writing. The Authority shall cause such books and accounts to be audited annually after the end of its Fiscal Year by an independent public accountant selected by the Authority and shall furnish to the Trustee a copy of the report of such audit. Such audit report shall include at least: a statement of all funds (including investments thereof) held by such Trustee and the Authority pursuant to the provisions hereof and of each Supplemental Trust Agreement; a statement of the Pledged Revenues collected in connection herewith and with each Supplemental Trust Agreement; a statement of the balance in the Debt Service Reserve.

The reports, statements and other documents required to be furnished by the Authority to the Trustee pursuant to any provisions of this Trust Agreement shall be available for the inspection of Bondowners at the office of the Trustee. The Trustee shall have no obligation to review any such reports, statements or documents or otherwise determine if the Authority has complied with its obligations under Section 606(1). Delivery of such reports, statements or documents shall not constitute constructive notice of any information contained therein or determinable from information contained therein. (*Section 606*).

Tax Covenant

The Authority shall take, or require to be taken, such action as may from time to time be required to assure the continued exclusion from the federal gross income of holders of any Series of Assessment Bonds, the interest on which is not includable in the gross income of the holder thereof for Federal income tax purposes. The Authority shall not permit the investment or application of the proceeds of any Series of Assessment Bonds, the interest on which is not includable in the gross income of the holder thereof for Federal income tax purposes, including any funds considered proceeds within the meaning of section 148 of the Code, to be used to acquire any investment property the acquisition of which would cause such Assessment Bonds to be “arbitrage bonds” within the meaning of said section 148. (*Section 607*).

Funding of Deficiency Fund and Capital Maintenance Fund

The Authority shall fund the Deficiency Fund and the Capital Maintenance Fund as required under the Authority’s resolution establishing such Funds, and a copy of resolution, and any amendments thereto, shall be filed with the Trustee. (*Section 608*).

Condition to Issuance of Bonds Secured by Dedicated Sales Tax

So long as there are Assessment Bonds Outstanding under the Assessment Bond Trust Agreement, the issuance by the Authority of Sales Tax Bonds or other Authority indebtedness (other than Indebtedness) secured by a pledge of or security interest in and payable from the Dedicated Sales Tax shall be conditioned upon the Authority demonstrating that the issuance of such indebtedness shall not cause the sum of the Assessment Floor Amount plus the Residual Sales Tax divided by the Net Debt Service for Outstanding Assessment Bonds in the then current or any future Fiscal Year to be less than 1.50 for any such Fiscal Year. (*Section 609*).

General

The Authority shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Authority under the provisions of the Act and the Assessment Bond Trust Agreement.

Upon the date of authentication and delivery of any of the Assessment Bonds, all conditions, acts and things required by law and the Assessment Bond Trust Agreement to exist, to have happened and to have been performed precedent to and in the issuance of such Assessment Bonds shall exist, shall have happened and shall have been performed and the issue of such Assessment Bonds, together with all other indebtedness of the Authority, shall be within every debt and other limit prescribed by the laws of the Commonwealth.

For the purpose of performing and carrying out the duties imposed on the Authority by the Assessment Bond Trust Agreement, the Authority may employ any individual, firm or corporation it deems necessary to fulfill its responsibilities under the Act and the Assessment Bond Trust Agreement. (*Section 610*).

Trustee and Paying Agents

State Street Bank and Trust Company is appointed Trustee under the Assessment Bond Trust Agreement. The Authority may appoint one or more Paying Agents for Assessment Bonds of any Series in the applicable Supplemental Agreement, and the Authority may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in the Assessment Bond Trust Agreement for a successor Paying Agent. The Trustee may be appointed as Paying Agent.

The Trustee may at any time resign and be discharged of the duties and obligations created by the Assessment Bond Trust Agreement by giving not less than 30 days' written notice to the Authority and the registered owners of the Assessment Bonds.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Owners of a majority in principal amount of the Assessment Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Assessment Bonds held by or for the account of the Authority. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of the Assessment Bond Trust Agreement with respect to the duties and obligations of the Trustee, by any court of competent jurisdiction upon the application of the Authority or the holders of not less than 25% in aggregate principal amount of Assessment Bonds Outstanding. Notwithstanding the foregoing provisions, at the end of the fifth Fiscal Year following the Fiscal Year in which the first series of Assessment Bonds is issued under the Assessment Bond Trust Agreement, and at the end of every fifth Fiscal Year thereafter, the Authority may remove the Trustee, except during the existence of an Event of Default, upon 120 days' written notice to the trustee by filing with the Trustee an instrument signed by an Authorized Representative of the Authority.

Any Successor shall be a bank or trust company organized under the laws of any state of the United States or a national banking association having a capital and surplus aggregating at least \$100,000,000. (*Sections 701, 702, 707, 708, 709*).

Supplemental Agreements Not Requiring Consent of Bondowners

The Authority and the Trustee may without the consent of, or notice to, any of the holders of the Assessment Bonds enter into agreements supplemental to the Assessment Bond Trust Agreement as shall not, in their opinion, be inconsistent with the terms and provisions of the Assessment Bond Trust Agreement for, among other things, and at any time or from time to time:

(a) to authorize Assessment Bonds of a Series and, in connection therewith specify and determine the matters and things referred to in the Assessment Bond Trust Agreement, and also any other matters and things relative to such Assessment Bonds which are not contrary to or inconsistent with the Assessment Bond Trust Agreement as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Assessment Bonds including, without limiting the generality of the foregoing, provisions amending or modifying the Assessment Bond Trust Agreement to provide for the issuance of Assessment Bonds in book-entry form or in coupon form payable to bearer;

(b) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, the Assessment Bond Trust Agreement, of the Pledged Revenues or of any other moneys, securities or funds;

(c) to modify any of the provisions of the Assessment Bond Trust Agreement in any respect whatsoever, provided that (i) such modification shall be, and be expressed to be, effective only after all Assessments Bonds of any Series affected by the amendment Outstanding at the date of the execution and delivery of such Supplemental Agreement shall cease to be Outstanding, and (ii) such Supplemental Agreement shall be specifically referred to in the text of all Assessment Bonds of any Series authenticated and delivered after the date of the execution and delivery of such Supplemental Agreement and of Assessment Bonds issued in exchange therefor or in place thereof;

(d) to modify the definition of Investment Obligations as directed by the Authority, provided that the Authority shall have provided evidence to the Trustee that the details of such modification have been provided in writing to each Rating Agency then assigning a rating on Outstanding Assessment Bonds and that each such Rating Agency has either (i) confirmed in writing that such modification will not adversely affect such ratings or (ii) issued a rating on a Series of Assessment Bonds to be issued which is not lower than the rating assigned by such Rating Agency to Outstanding Assessment Bonds prior to such modification, or any other evidence satisfactory to the Trustee that modification will not adversely affect the then current ratings, if any, assigned to the Assessment Bonds by any Rating Agency;

(e) to subject to the lien of the Assessment Bond Trust Agreement additional revenues, security or collateral;

(f) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Assessment Bond Trust Agreement;

(g) to insert such provisions clarifying matters or questions arising under the Assessment Bond Trust Agreement as are necessary or desirable and are not contrary to or inconsistent with the Assessment Bond Trust Agreement as theretofore in effect;

(h) to authorize the issuance of bonds, notes or any other obligation entitled to a lien on Pledged Revenues or the Funds and Accounts under the Assessment Bond Trust Agreement in accordance with the Assessment Bond Trust Agreement; or

(i) to provide for additional duties of the Trustee. (*Section 801*).

Supplemental Agreements Effective with Consent of Bondowners

At any time or from time to time, a Supplemental Agreement may be adopted subject to consent by Bondowners in accordance with and subject to the provisions of the Assessment Bond Trust Agreement, which Supplemental Agreement, upon the filing with the Trustee of a copy thereof certified by an Authorized Officer of the Authority and upon compliance with the provisions of the Assessment Bond Trust Agreement, shall become fully effective in accordance with its terms as provided in said Assessment Bond Trust Agreement. (*Section 802*).

Amendments

Any modification or amendment of the Assessment Bond Trust Agreement and of the rights and obligations of the Authority and of the Owners of the Assessment Bonds thereunder may be made by a Supplemental Agreement, with the written consent given as provided in the Assessment Bond Trust Agreement, (i) of the Owners of at least a majority in principal amount of the Assessment Bonds Outstanding at the time such consent is given, and (ii) in case less than all of the several Series of Assessment Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least a majority in aggregate principal amount of the Assessment Bonds of the several Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Assessment Bonds of any specified like Series and maturity remain Outstanding, the consent of the Owners of such Assessment Bonds shall not be required and such Assessment Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Assessment Bonds under this heading. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Assessment Bond or of any installment of interest thereon or a reduction in the principal amount, Accreted Value or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner of such Assessment Bond, or shall reduce the percentages or otherwise affect the classes of Assessment Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto. For the purposes of this paragraph, a Series shall be deemed to be affected by a modification or amendment of the Assessment Bond Trust Agreement if the same adversely affects or diminishes the rights of the Owners of Assessment Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment, Assessment Bonds of any particular Series or maturity would be affected by any modification or amendment of the Assessment Bond Trust Agreement. Any such determination may be based upon the written advice of Bond Counsel, if so requested by the Trustee, and shall be binding and conclusive on the Authority and all Owners of Assessment Bonds. For purposes of the provisions under this heading, the Owners of the Assessment Bonds may include the initial holders thereof, regardless of whether such Assessment Bonds are being held for immediate resale. (*Section 902*).

Events of Default

The occurrence of any one or more of the following events shall constitute an Event of Default under the Assessment Bond Trust Agreement:

- (1) The Authority shall fail to make payment of the principal and of any Assessment Bonds when the same shall become due and payable, either at maturity or scheduled redemption; or
- (2) The Authority shall fail to make payment of any installment of interest on any Assessment Bonds when the same shall become due and payable; or
- (3) The Authority shall default in the observance or performance of any other covenants or agreements on the part of the Authority contained in the Assessment Bond Trust Agreement, and such default shall continue for ninety (90) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Assessment Bonds then Outstanding. (*Section 1001*).

Remedies

Upon the occurrence and during the continuation of any Event of Default, then and in every such case the Trustee may proceed, and upon the written request of the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Assessment Bonds then Outstanding under the Assessment Bond Trust Agreement shall proceed to protect and enforce its rights and the rights of the Bondowners under the laws of the Commonwealth or under the Assessment Bond Trust Agreement by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board of officer having jurisdiction, either for the specific performance of any covenant or agreement contained in the Assessment Bond Trust Agreement or in aid or execution of any power therein granted or for the enforcement of any proper legal or equitable remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights. The Trustee shall not be required to take any remedial action (other than the giving of notice) unless indemnity satisfactory to the Trustee is furnished for any liability to be incurred thereby. (*Section 1002*).

Application of Pledged Revenues and Other Moneys After Default

The Authority covenants that if an Event of Default shall happen and shall not have been remedied, the Authority, upon demand of the Trustee, shall pay over to cause to be paid over to the Trustee (i) forthwith, any moneys, securities and funds then held by the Authority or a Depositary in any Fund, Account or Subaccount under the Assessment Bond Trust Agreement (excluding the Rebate Fund) and (ii) as promptly as practicable after receipt thereof, the Pledged Revenues. To the extent that the allocation of such moneys, securities, funds and Pledged Revenues is not otherwise provided for in the Assessment Bond Trust Agreement, the Trustee shall establish and deposit the same into a separate Account in the Debt Service Fund.

During the continuation of an Event of Default, all Pledged Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of the Assessment Bond Trust Agreement shall be applied by the Trustee as follows and in the following order:

- (a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the registered holders of the Assessment Bonds (including without limitation deposits to the Rebate Fund sufficient to fund any unfunded anticipated liability of the Authority under section 148 of the Code relating to the Assessment Bonds) and payment of reasonable fees and charges and expenses of

the Trustee (including without limitation reasonable fees and disbursements of its counsel) incurred in and in connection with the performance of its powers and duties under the Assessment Bond Trust Agreement.

(b) To the payment of the principal of and interest then due on the Assessment Bonds upon presentation of the Assessment Bonds to be paid (and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of the Assessment Bond Trust Agreement, as follows:

(i) Unless the principal of all of the Assessment Bonds shall have become due and payable,

First: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, ratably, according to the amounts of interest due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Assessment Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Assessment Bonds, and, if the amount available shall not be sufficient to pay in full all the Assessment Bonds, together with such interest, ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference;

(ii) If the principal of all of the Assessment Bonds shall have become due and payable (but without implying any right to accelerate the payment of such principal as a remedy upon the occurrence of an Event of Default), to the payment of the principal and interest then due and unpaid upon the Assessment Bonds, with interest on the overdue principal at the rate borne by the Assessment Bonds, and, if the amount available shall not be sufficient to pay in full the whole amount so due and unpaid, ratably, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference. (*Section 1003*).

Defeasance

(1) If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Assessment Bonds then Outstanding, the principal and interest and Redemption Price to become due thereon, at the times and in the manner stipulated therein and in the Assessment Bond Trust Agreement, then, at the option of the Authority, expressed in an instrument in writing signed by an Authorized Officer and delivered to the Trustee, the covenants, agreements and other obligations of the Authority to the Bondowners shall be discharged and satisfied. In such event, the Trustee shall, upon the request of the Authority, execute and deliver to the Authority all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Authority all money, securities and funds held by them pursuant to the Assessment Bond Trust Agreement which are not required for the payment or redemption of Assessment Bonds not theretofore surrendered for such payment or redemption. If the Authority shall pay or cause to be paid, to the Owners of any Outstanding Assessment Bonds the principal or Redemption Price and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Assessment Bond Trust Agreement, such Assessment Bonds shall cease to be entitled to any lien, benefit or security under the Assessment Bond Trust Agreement, and all covenants, agreements and obligations of the Authority to the Owners of such Assessment Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. Notwithstanding any other provision of the Assessment Bond Trust Agreement, certain provisions,

including those related to redemption of Assessment Bonds, execution and authentication of Assessment Bonds, satisfaction of Sinking Fund Installments, appointment of Trustee and Paying Agents, appointment of Successor Trustee and Paying Agents, and compensation of Fiduciaries, (in the case of each of the foregoing, such survival shall continue only until such Assessment Bonds are in fact paid), and shall, within limits survive the defeasance of the Assessment Bonds.

(2) Assessment Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and shall be held in trust by the Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be defeased. Subject to the provisions of paragraph (3) through (7) under this heading, any Outstanding Assessment Bond shall prior to the maturity or redemption date thereof be defeased if (a) in case any of said Assessment Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee instructions accepted in writing by the Trustee to mail as provided in the Assessment Bond Trust Agreement notice of redemption of such Assessment Bonds (other than Assessment Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of such notice of redemption) on said date, (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Investment Obligations (as hereinafter defined) including any Investment Obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Assessment Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Assessment Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Assessment Bonds at their last addresses appearing upon the registry books at the close of business on the last Business Day on the month preceding the month for which notice is mailed that the deposit required by (b) above has been made with the Trustee and that said Assessment Bonds are defeased and stating such maturity or redemption date upon which moneys are expected, subject to the provisions of paragraphs (7) and (8) under this heading, to be available for the payment of the principal or Redemption Price, if applicable, on said Assessment Bonds (other than Assessment Bonds which have been purchased by the Trustee at the direction of the Authority or purchased or otherwise acquired by the Authority and delivered to the Trustee as hereinafter provided prior to the mailing of the notice of redemption referred to in clause (a) hereof). The Trustee shall, as and to the extent necessary, apply moneys held by it under this heading to the retirement of said Assessment Bonds in amounts equal to the unsatisfied balances of any Sinking Fund Installments with respect to such Assessment Bonds, all in the manner provided in the Assessment Bond Trust Agreement. The Trustee shall, if so directed by the Authority (i) prior to the maturity date of defeased Assessment Bonds which are not to be redeemed prior to their maturity date or (ii) prior to the time of the mailing of the notice referred to in clause (a) above with respect to any defeased Assessment Bonds which are to be redeemed on any date prior to their maturity, apply moneys deposited with the Trustee in respect to such Assessment Bonds and redeem or sell Investment Obligations so deposited with the Trustee and apply the proceeds thereof to the purchase of such Assessment Bonds as arranged and directed by the Authority and the Trustee shall immediately thereafter cancel all such Assessment Bonds so purchased; provided, however, that the moneys and Investment Obligations remaining on deposit with the Trustee after the purchase and cancellation of such Assessment Bonds shall be sufficient to pay when due the Principal Installment or Redemption Price, if applicable, and interest due or to become due on all remaining Assessment Bonds, in respect of which such moneys and Investment Obligations are being held by the Trustee on or prior to the redemption date or maturity date thereof, as the case may be.

If, at any time (i) prior to the maturity date of defeased Assessment Bonds which are not to be redeemed prior to their maturity date or (ii) prior to the mailing of the notice of redemption referred to in clause (a) with respect to any defeased Assessment Bonds which are to be redeemed on any date prior to their maturity, the Authority shall purchase or otherwise acquire any such Assessment Bonds and deliver such Assessment Bonds to the Trustee prior to their maturity date or redemption date, as the case may be, the Trustee shall immediately cancel all such Assessment Bonds so delivered; such delivery of Assessment Bonds to the Trustee shall be accompanied by directions from the Authority to the Trustee as to the manner in which such Assessment Bonds are to be applied against the obligation of the Trustee to pay or redeem defeased Assessment Bonds; all in accordance with the Assessment Bond Trust Agreement.

In the event that on any date as a result of any purchases, acquisitions and cancellations of Assessment Bonds, the total amount of moneys and Investment Obligations remaining on deposit with the Trustee is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of the remaining Assessment Bonds in order to defease such Assessment Bonds, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security, interest, pledge or assignment securing said Assessment Bonds or otherwise existing under the Assessment Bond Trust Agreement. Except as otherwise provided in paragraph (2) and paragraphs (3) through (8) under this heading, neither Investment Obligations nor moneys deposited with the Trustee pursuant to the provisions under this heading nor principal or interest payments on any such Investment Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Assessment Bonds; provided that any cash received from such principal or interest payment on such Investment Obligations deposited with the Trustee, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the Authority as received by the Trustee, free and clear of any trust, lien or pledge securing said Assessment Bonds or otherwise existing under the Assessment Bond Trust Agreement, and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Investment Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Assessment Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien, security interest, pledge or assignment securing said Assessment Bonds or otherwise existing under the Assessment Bond Trust Agreement. For the purposes of the provisions under this heading, Investment Obligations shall mean and include only (x) such securities as are described in clauses (i), (iv) (to the extent rated at the time of investment in the highest rating category, without regard to any refinement or gradation of such rating, by any Rating Agency), (v) and (vii) of the definition of "Investment Obligations" which shall not be subject to redemption prior to their maturity other than at the option of the Owner thereof, (y) such securities as are described in clause (ii) of the definition of Investment Obligations which shall not be subject to redemption prior to their maturity other than at the option of the Owner thereof or as to which an irrevocable notice of redemption of such securities on a specified redemption date has been given and such securities are not otherwise subject to redemption prior to such specified date other than at the option of the Owner thereof, or (z) upon compliance with the provisions of paragraph (5) under this heading, such securities as are described in clauses (i), (iv) to the extent rated at the time of investment in the highest rating category, without regard to any refinement or gradation of such rating, by any Rating Agency, (v) or (vii) of the definition of Investment Obligations which are subject to redemption prior to maturity at the option of the issuer thereof on a specified date or dates.

(3) For purposes of determining whether Variable Interest Rate Bonds are defeased, the interest to come due on such Variable Interest Rate Bonds on or prior to the maturity or redemption date thereof, as the case may be, shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Interest Rate Bonds having borne

interest at less than such maximum rate for any period, the total amount of moneys and Investment Obligations on deposit with the Trustee for the payment of interest on such Variable Interest Rate Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Interest Rate Bonds in order to satisfy the second sentence of paragraph (2) under this heading the Trustee shall, if requested, by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security interest, pledge or assignment securing the Assessment Bonds or otherwise existing under the Assessment Bond Trust Agreement.

(4) Put Bonds shall be deemed to have been defeased only if, in addition to satisfying the other requirements there shall have been deposited with the Trustee moneys in an amount which shall be sufficient to pay when due the maximum amount of principal of and premium, if any, and interest on such Assessment Bonds which could become payable to the Owners of such Assessment Bonds upon the exercise of any options provided to the Owner of such Assessment Bonds; provided, however, that if, at the time a deposit is made with the Trustee pursuant to paragraph (2) under this heading, the options originally exercisable by the Owner of a Put Bond are no longer exercisable, such Assessment Bond shall not be considered a Put Bond for purposes of this paragraph (4). If any portion of the moneys deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Put Bonds is not required for such purpose, the Trustee shall, if requested by the Authority, pay the amount of such excess to the Authority free and clear of any trust, lien, security interest, pledge or assignment securing said Assessment Bonds or otherwise existing under the Assessment Bond Trust Agreement.

(5) Investment Obligations described in clause (z) of paragraph (2) under this heading may be included in the Investment Obligations deposited with the Trustee in order to satisfy the requirements of clause (b) of paragraph (2) under this heading only if the determination as to whether the moneys and Investment Obligations to be deposited with the Trustee in order to satisfy the requirements of such clause (b) would be sufficient to pay when due either on the maturity date thereof or, in the case of any Assessment Bonds to be redeemed prior to the maturity date thereof, on the redemption date or dates specified in any notice of redemption to be mailed by the Trustee or in the instructions to mail a notice of redemption provided to the Trustee in accordance with paragraph (2) under this heading, the principal and Redemption Price, if applicable, and interest on the Assessment Bonds which will be deemed to have been paid as provided in paragraph (2) under this heading is made both (i) on the assumption that the Investment Obligations described in clause (z) were not redeemed at the option of the issuer prior to the maturity date thereof and (ii) on the assumptions that such Investment Obligations would be redeemed by the issuer thereof at its option on each date on which such option could be exercised, that as of such date or dates interest ceased to accrue on such Investment Obligations and that the proceeds of such redemption would not be reinvested by the Trustee.

(6) In the event that after compliance with the provisions of paragraph (5) under this heading the Investment Obligations described in clause (z) of paragraph (2) under this heading are included in the Investment Obligations deposited with the Trustee in order to satisfy the requirements of clause (b) of paragraph (2) under this heading and any such Investment Obligations are actually redeemed by the issuer thereof prior to their maturity date, then the Trustee at the direction of the Authority, provided that the aggregate of the moneys and Investment Obligations to be held by the Trustee, taking into account any changes in redemption dates or instructions to give notice of redemption given to the Trustee by the Authority in accordance with paragraph (7) under this heading, shall at all times be sufficient to satisfy the requirements of clause (b) of paragraph (2) under this heading, shall reinvest the proceeds of such redemption in Investment Obligations.

(7) In the event that after compliance with the provisions of paragraph (5) under this heading the Investment Obligations described in clause (z) of paragraph (2) under this heading are included in the Investment Obligations deposited with the Trustee in order to satisfy the requirements of the clause (b) of paragraph (2) under this heading, then any notice of redemption to be mailed by the Trustee and any set of

instructions relating to a notice of redemption given to the Trustee may provide, at the option of the Authority, that any redemption date or dates in respect of all or any portion of the Assessment Bonds to be redeemed on such date or dates may at the option of the Authority be changed to any other permissible redemption date or dates and that redemption dates may be established for any Assessment Bonds deemed to have been paid in accordance with the provisions under this heading upon their maturity date or dates at any time prior to the actual mailing of any applicable notice of redemption in the event that all or any portion of any Investment Obligations described in clause (z) of paragraph 2 under this heading have been called for redemption pursuant to an irrevocable notice of redemption or have been redeemed by the issuer thereof prior to the maturity date thereof; no such change of redemption date or dates or establishment of redemption date or dates may be made unless taking into account such changed redemption date or dates or newly established redemption date or dates the moneys and Investment Obligations on deposit with the Trustee including any Investment Obligations deposited with the Trustee in connection with any reinvestment of redemption proceeds in accordance with paragraph (6) pursuant to clause (b) of paragraph (2) under this heading would be sufficient to pay when due the principal and Redemption Price, if applicable, and interest on all Assessment Bonds deemed to have been paid in accordance with the provisions under this heading which have not as yet been paid.

(8) Unless waived by the Authority at the time Assessment Bonds are defeased, at any time prior to the actual mailing of any applicable notice of redemption any redemption date or dates in respect of all or any portion of the Assessment Bonds to be redeemed on such date or dates may at the option of the Authority be changed to any other permissible redemption date or dates and redemption dates may be established for any Assessment Bonds deemed to have been defeased upon their maturity date or dates; in both cases in accordance with the Assessment Bond Trust Agreement.

(9) The Authority agrees that it will take no action in connection with any of the transactions referred to under this heading which will cause any Assessment Bonds to be "Arbitrage Bonds" within the meaning of Section 148(a) of the Code and the regulations thereunder in effect on the date of the transaction and applicable to the transaction.

(10) Anything in the Assessment Bond Trust Agreement to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Assessment Bonds which remain unclaimed for three years (or such other period as may from time to time be prescribed by the laws of the Commonwealth, provided that if no period is so prescribed, such period shall be three years) after the date when such Assessment Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for three years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Assessment Bonds became due and payable, shall automatically revert from the Fiduciary to the Commonwealth once the Fiduciary has complied with the publication and reporting requirements as prescribed in accordance with the laws of the Commonwealth; provided, however, if no provision of Commonwealth law shall require that such funds be paid to the Commonwealth, such moneys shall, at the written request of the Authority, be repaid by the Fiduciary to the Authority, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Bondowners shall look only to the Commonwealth, if paid to the Commonwealth, or the Authority, if paid to the Authority, for the payment of such Assessment Bonds. (*Section 1004*).

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Upon the delivery of the Bonds, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel to the Authority, propose to deliver their opinions in substantially the following form:



One Financial Center
Boston, MA 02111
617 542 6000
mintz.com

[Date of Delivery]

Massachusetts Bay Transportation Authority
10 Park Plaza
Boston, Massachusetts 02116

Re: Massachusetts Bay Transportation Authority Subordinated Sales Tax Bonds, 2020 Series B

We have acted as bond counsel to the Massachusetts Bay Transportation Authority (the “Authority”) in connection with the issuance by the Authority of its Subordinated Sales Tax Bonds, 2020 Series A, consisting of Subseries B-1 and Subseries B-2 (Sustainability Bonds), dated the date of initial delivery thereof (the “Bonds”). The Bonds are being issued pursuant to Chapter 161A of the Massachusetts General Laws, as amended (the “Act”), and the Sales Tax Bond Trust Agreement dated as of July 1, 2000 by and between the Authority and State Street Bank and Trust Company, predecessor to U.S. Bank National Association, as trustee (the “Trustee”), as amended and supplemented, including by the Fortieth Supplemental Trust Agreement dated as of May 1, 2020, by and between the Authority and the Trustee (collectively the “Trust Agreement”). In such capacity, we have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation. Unless otherwise defined herein, certain capitalized terms used herein shall have the meanings set forth in the Trust Agreement.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Authority is duly created and validly existing as a body politic and corporate and a political subdivision of The Commonwealth of Massachusetts (the “Commonwealth”) with the corporate power to enter into the Trust Agreement, perform the agreements on its part contained therein and issue the Bonds.

2. The Bonds have been duly authorized, executed and delivered by the Authority and are valid and binding special obligations of the Authority enforceable in accordance with their terms. The Bonds are secured by the Trust Agreement and a pledge of the Pledged Revenues (as defined in the Trust Agreement) received by or for the account of the Authority and amounts on deposit in the funds and accounts pledged as security therefor under the Trust Agreement. The Trust Agreement creates the valid pledge and lien which it purports to create for the benefit of the holders of the Bonds, subject to the

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

Massachusetts Bay Transportation Authority

[Date of Delivery]

Page 2

application of such Pledged Revenues and amounts to the purposes and on the conditions permitted by the Trust Agreement.

3. The Trust Agreement and the Assessment Bond Trust Agreement have been duly and lawfully authorized, executed and delivered, are in full force and effect and are valid and binding agreements of the Authority enforceable upon the Authority in accordance with their respective terms.

4. Interest on the Bonds, including any original issue discount properly allocable to the owners thereof, is excluded from the gross income of the owners of the Bonds for federal income tax purposes. In addition, interest on the Bonds will not constitute a preference item for purposes of computation of the alternative minimum tax. In rendering the opinions set forth in this paragraph, we have assumed compliance by the Authority with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon is and continues to be excluded from gross income for federal income tax purposes. The Authority has covenanted to comply with all such requirements. Failure by the Authority to comply with certain of such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. We express no opinion as to any other federal tax consequences resulting from holding the Bonds.

5. Interest on the Bonds, and any profit made on the sale thereof are exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. We express no opinion as to any other Massachusetts tax consequences resulting from holding the Bonds nor as to the taxability of the Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, under the laws of any state other than Massachusetts.

It should be understood that the rights of the holders of the Bonds, and the enforceability of the Bonds, the Trust Agreement and the Assessment Bond Trust Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

MINTZ, LEVIN, COHN, FERRIS, GLOVSKY AND POPEO, P.C.

AUTHORITY CONTINUING DISCLOSURE AGREEMENT

This Authority Continuing Disclosure Agreement dated June 11, 2020 (the “Disclosure Agreement”) is executed and delivered by the Massachusetts Bay Transportation Authority (the “Authority”) and U.S. Bank National Association, as dissemination agent (the “Dissemination Agent”), in connection with the issuance of Massachusetts Bay Transportation Authority Subordinated Sales Tax Bonds, 2020 Series B (the “Bonds”). The Bonds are being issued pursuant to Chapter 161A of the General Laws of the Commonwealth (the “Act”) and the Sales Tax Bond Trust Agreement, dated as of July 1, 2000, by and between the Authority and State Street Bank and Trust Company, as initial trustee (as amended, the “Sales Tax Trust Agreement”), and as supplemented with respect to the Bonds by the Fortieth Supplemental Trust Agreement dated as of May 1, 2020, by and between the Authority and U.S. Bank National Association, as successor trustee. The Authority and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose; Beneficiaries. This Disclosure Agreement is entered into solely to assist the Participating Underwriters (defined below) in complying with subsection (b)(5) of the Rule (defined below). This Disclosure Agreement constitutes a written undertaking for the benefit of the registered owners and beneficial owners (within the meaning of the Rule) of the Bonds (such registered owners and beneficial owners being sometimes called herein collectively “owners”).

Section 2. Definitions. The following words and terms used in this Disclosure Agreement shall have the following respective meanings:

(a) “Annual Report” shall mean any Annual Report provided by the Authority to the Dissemination Agent, and consistent with the requirements of Sections 3 and 4 of this Disclosure Agreement.

(b) “EMMA” means the MSRB’s Electronic Municipal Market Access system, or its successor as designated by the MSRB.

(c) “MSRB” means the Municipal Securities Rulemaking Board.

(d) “Participating Underwriters” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

(e) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities and Exchange Act of 1934, as amended (17 CFR Part 240, 240.15c2-12), as in effect on the date of this Disclosure Agreement, including any official interpretation thereof.

(f) “SEC” means the United States Securities and Exchange Commission.

All capitalized words and terms used in this Disclosure Agreement and not otherwise defined herein shall have the meaning ascribed to such words and terms in the Official Statement dated June 3, 2020 pertaining to the Bonds (the “Official Statement”).

Section 3. Provision of Annual Reports. The Authority shall deliver to the Dissemination Agent its Annual Report, not later than 335 days after the end of its fiscal year. If said Annual Report does not contain the Authority’s audited financial statements for the fiscal year of the Annual Report, then the Authority shall, in any event, deliver to the Dissemination Agent (i) with the Annual Report unaudited financial statements for the fiscal year of the Annual Report and (ii) said audited financial statements as soon as practicable after the audited financial statements become available.

The Dissemination Agent shall forward to EMMA the Authority's Annual Report, with the Authority's audited financial statements (or unaudited financial statements, if the audited financial statements are not then available) or notice of the Authority's failure to provide said Annual Report, no later than 350 days after the end of the fiscal year of the Authority. If the Authority elects not to provide the Dissemination Agent with its audited financial statements as part of its Annual Report within the 335 day period described above, the Dissemination Agent shall forward to EMMA the Authority's audited financial statements as soon as practicable after the audited financial statements become available.

Upon its forwarding of the Annual Report and financial statements, the Dissemination Agent shall file a report with the Authority certifying that the Annual Report and financial statements have been forwarded to EMMA pursuant to this disclosure agreement, stating the date of such filing.

Section 4. Content of Annual Reports. The Annual Report shall contain (i) the quantitative information for the preceding fiscal year of the type presented in the Official Statement regarding (a) Assessments, (b) the Dedicated Sales Tax, (c) outstanding indebtedness, (d) capital plan and (e) total revenues and operating expenses annual financial information; and (ii) the audited financial statements of the Authority for such fiscal year if audited financial statements are then available (or unaudited financial statements if audited financial statements are not then available), or (iii) notice of the Authority's failure if any, to provide such information. The annual financial information to be provided as aforesaid shall be in each case substantially in the same level of detail as is found in the Official Statement.

Any or all of the items listed above may be included by reference to other documents, including official statements pertaining to debt issued by the Authority, which have been submitted to EMMA. If the document incorporated by reference is a final official statement within the meaning of the Rule, it will also be available from the MSRB. The Authority's annual financial statements for each fiscal year shall consist of the balance sheet of the Authority and the related statements of revenue and cost of service and cash flows prepared in accordance with generally accepted accounting principles in effect from time to time, or as applicable law may otherwise provide. Such financial statements shall be audited by a firm of certified public accountants appointed by the Authority. The Dissemination Agent is agent of the Authority in the dissemination of the Annual Report and the other notices referenced herein and has no duty or responsibility as to the legal correctness or accuracy of the form or content of said Annual Report or notes.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 5. Reporting of Significant Events. Whenever the Authority obtains knowledge of the occurrence of any of the following listed events (numbered in accordance with the provisions of the Rule) with respect to the Bonds, the Authority shall direct the Dissemination Agent to provide to EMMA in a timely manner not in excess of ten business days after the occurrence of the event, notice of such occurrence:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;

- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (vii) modifications to rights of security holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the securities, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the issuer;
- (xiii) the consummation of a merger, consolidation, or acquisition involving an issuer or the sale of all or substantially all of the assets of the issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a financial obligation¹ of an obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation* of an obligated person, any of which affect Bondholders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation* of an obligated person, any of which reflect financial difficulties.

For the purposes of the event identified in subparagraph (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the issuer;

¹ As noted in Rule 15c2-12, the term “financial obligation” means (i) a debt obligation, (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) a guaranty of an instrument described in (i) or (ii). The term does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 6. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from providing any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, in addition to that which is required by this Disclosure Agreement. If the Authority chooses to provide any information in addition to that which is specifically required by this Disclosure Agreement, the Authority and the Dissemination Agent shall have no obligation under this Disclosure Agreement to update such information in the future.

Section 7. Enforceability of This Disclosure Agreement; Termination. To the extent permitted by law, the provisions of this Disclosure Agreement are enforceable against the Authority and the Dissemination Agent in accordance with the terms hereof by any owner of a Bond or a Note, including any beneficial owner acting as a third party beneficiary (upon proof of its status as a beneficial owner reasonably satisfactory to the Dissemination Agent). To the extent permitted by law, any such owner shall have the right, for the equal benefit and protection of all owners of the Bonds, as the case may be, by mandamus or other suit or proceeding at law or in equity, to enforce its rights against the Authority and the Dissemination Agent and to compel the Authority and the Dissemination Agent and any of their officers, agents or employees to perform and carry out their duties under such provisions of this Disclosure Agreement; provided, however, that the sole remedy for a violation of this Disclosure Agreement shall be limited to an action to compel specific performance of the obligations of the Authority and the Dissemination Agent under this Disclosure Agreement and shall not include any rights to monetary damages. This Disclosure Agreement shall terminate if no Bonds remain outstanding (without regard to an economic defeasance) or if the provisions of the Rule concerning continuing disclosure are no longer in effect, whichever occurs first.

Section 8. Amendments. This Disclosure Agreement may be amended, changed or modified by the parties hereto, without the consent of, or notice to, any owners of the Bonds, (a) to comply with or conform to the provisions of the Rule or any amendments thereto or authoritative interpretations thereof by the SEC or its staff (whether required or optional), (b) to add a dissemination agent for the information required to be provided by such undertakings and to make any necessary or desirable provisions with respect thereto, (c) to add to the covenants of the Authority or the Dissemination Agent for the benefit of the owners of the Bonds, (d) to modify the contents, presentation and format of the annual financial information from time to time as a result of a change in circumstances that arises from a change in legal requirements, or (e) to otherwise modify the undertaking of the Authority in this Disclosure Agreement in a manner responding to the requirements of the Rule concerning continuing disclosure; provided, however, that in the case of any amendment pursuant to clause (d) or (e), (i) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances, and (ii) the amendment does not materially impair the interests of the owners of the Bonds, as determined either by a party unaffiliated with the Authority or the Dissemination Agent (such as the firm serving at the time as bond counsel to the Authority) or by the vote or consent of the Registered Owners of a majority in outstanding principal amount of the Bonds affected thereby at or prior to the time of such amendment, which consent shall be obtained as provided in this Disclosure Agreement with respect to consents of Registered Owners. Any amendment, change or modification to this Disclosure Agreement shall be in writing.

If this Disclosure Agreement is amended with respect to the annual financial information to be submitted by the Authority hereunder, the annual financial information containing the amended financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of financial information being provided. If this Disclosure Agreement is amended with respect

to the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and the financial statements or information prepared on the basis of the former accounting principles. Such comparison will include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Authority to meet its obligations. To the extent reasonably feasible, the comparison will also be quantitative. The Authority shall direct the Dissemination Agent to give notice of any change in the accounting principles to EMMA as promptly as practicable after such change has been determined.

Section 9. Disclaimer. No information provided by or on behalf of the Authority under this Disclosure Agreement shall obligate the Authority to file any information regarding matters other than those specifically described in Sections 3, 4 and 5 hereof, nor shall any such filing constitute a representation by the Authority or raise any inference that no other material events have occurred with respect to the Authority or the Bonds or that all material information regarding the Authority or the Bonds has been disclosed. The Authority shall have no obligation under this Disclosure Agreement to update information provided pursuant to this Disclosure Agreement except as specifically stated herein.

Section 10. Duties, Immunities and Liabilities of the Dissemination Agent. The Dissemination Agent shall have only such duties under this Disclosure Agreement as are specifically set forth in this Disclosure Agreement, and the Authority hereby agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the cost and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct in the performance of its duties hereunder. The obligations of the Authority under this Section 10 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 11. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12. Governing Law. This Disclosure Agreement shall be governed by and construed in accordance with the laws of the Commonwealth and applicable law of the United States of America.

Section 13. Titles of Sections. The titles of sections in this Disclosure Agreement shall have no effect in construing this Disclosure Agreement.

Section 14. Actions to be Performed on Non-Business Days. Any action required by this Disclosure Agreement to be taken on a Saturday, Sunday or holiday within the Commonwealth may be taken on the next business day with the same force and effect as if taken on the day so required.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, THE MASSACHUSETTS BAY TRANSPORTATION
AUTHORITY and U.S. BANK NATIONAL ASSOCIATION, as Dissemination Agent, have executed
this Disclosure Agreement, under seal, all as of the day and year first above written.

MASSACHUSETTS BAY TRANSPORTATION
AUTHORITY

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION
as Dissemination Agent

By: _____
Name:
Title:

The table beginning on the following page contains a listing of the 176 assessed cities and towns and historical information about Local Aid and assessments (including Assessments) in Fiscal Years 1985, 1990 and 1998 through 2019. Beginning in Fiscal Year 2006, Local Aid, as shown in the table, does not include school building assistance grants and payments relating to school building projects maintained on a waiting list, both of which are now payable by the Massachusetts School Building Authority rather than the Commonwealth. The amount of such grants and waiting list payments in Fiscal Years 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019 were approximately \$413.35 million, \$424.79 million, \$481.84 million, \$403.09 million, \$467.64 million, \$398.25 million, \$431.82 million, \$341.22 million, \$226.51, \$214.24 million, \$201.23 million, \$218.48 million, \$146.38 million and \$128.91 million, respectively. The Fiscal Year 2020 estimated annual prior grant and waiting list payments are approximately \$106.94 million.

Under the Prior Act, specified cities and towns were assessed to reimburse the Commonwealth for cash advances made to pay the Authority's Net Cost of Service on account of prior fiscal periods. The amount of assessments for any particular period varied, depending on the amount of the Net Cost of Service for that period and offsetting state appropriations, among other things. The Enabling Act increased the number of assessed cities and towns from 78 to 175 commencing in Fiscal Year 2002 (the number was increased to 176 in 2015). Beginning in Fiscal Year 2006, Assessments cannot be less than \$136,026,868 and are adjusted each year thereafter for inflation, provided that such amount shall not increase by more than 2.5% per year. Under a transition provision, the Assessments paid by the previously assessed 78 cities or towns for Fiscal Year 2001 were frozen at the Fiscal Year 2000 level (\$144,578,734). Beginning in Fiscal Year 2002 and each Fiscal Year thereafter through Fiscal Year 2006, Assessments were reduced in five equal installments, while, commencing with Fiscal Year 2002, the additional cities and towns (labeled "Other Served Communities" in the following table) were assessed and their portion of the Assessments were increased through Fiscal Year 2006 in five equal installments. In each case, individual Assessments are determined according to a weighted population formula. Beginning in Fiscal Year 2002, cities and towns that are also assessed for regional transit authority expenses received a dollar-for-dollar credit against the Assessments, but this has had no effect on the total amount assessed for the Authority because the credited amounts have been re-assessed on the 14 cities and towns and the 51 cities and towns. See "ASSESSMENT BOND TRUST AGREEMENT AND ASSESSMENTS."

Municipality	FY2019				FY2018				FY2017			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
FOURTEEN CITIES AND TOWNS												
ARLINGTON	20,040	346	2,963	16,731	19,207	295	2,890	16,022	18,815	307	2,857	15,651
BELMONT	11,471	102	1,691	9,678	10,136	112	1,658	8,366	9,408	102	1,644	7,663
BOSTON	445,525	203,887	88,210	153,428	437,143	182,513	85,805	168,825	426,281	165,851	83,823	176,606
BROOKLINE	21,556	1,375	5,218	14,963	19,796	1,347	5,145	13,304	19,095	1,279	5,115	12,702
CAMBRIDGE	40,650	17,759	9,732	13,160	38,544	15,754	9,504	13,286	35,963	13,529	9,281	13,152
CHELSEA	88,997	15,263	2,605	71,130	83,542	12,534	2,486	68,522	82,023	10,669	2,444	68,909
EVERETT	75,784	11,696	3,044	61,043	73,837	11,326	2,907	59,604	73,330	10,147	2,786	60,397
MALDEN	63,391	10,326	4,037	49,028	62,975	10,845	3,959	48,172	62,454	9,962	3,926	48,566
MEDFORD	25,548	5,917	3,795	15,836	24,959	5,369	3,723	15,867	24,102	4,802	3,709	15,591
MILTON	12,716	2,065	1,810	8,841	11,685	1,876	1,780	8,029	10,400	1,537	1,769	7,093
NEWTON	30,549	389	5,872	24,288	29,111	496	5,751	22,865	27,271	460	5,708	21,103
REVERE	75,970	8,423	3,532	64,015	72,941	7,008	3,458	62,474	68,485	6,001	3,488	58,996
SOMERVILLE	47,774	8,878	5,310	33,586	46,972	9,079	5,156	32,736	46,497	8,922	5,113	32,462
WATERTOWN	12,380	345	2,269	9,767	11,884	432	2,218	9,233	11,249	375	2,141	8,733
FIFTY-ONE CITIES AND TOWNS												
BEDFORD	7,207	59	312	6,836	6,802	29	305	6,468	6,395	80	302	6,012
BEVERLY	15,316	614	908	13,794	14,897	633	890	13,374	14,648	651	879	13,118
BRAINTREE	24,190	3,183	826	20,180	23,419	3,251	810	19,357	22,619	2,898	794	18,927
BURLINGTON	9,610	154	571	8,884	9,131	147	557	8,428	8,850	128	551	8,171
CANTON	8,724	680	503	7,541	8,560	569	488	7,503	7,788	522	481	6,785
COHASSET	3,324	273	185	2,866	3,158	211	181	2,766	3,103	209	179	2,715
CONCORD	5,266	65	437	4,764	4,924	81	423	4,420	4,665	78	417	4,170
DANVERS	10,319	573	614	9,132	10,090	453	600	9,036	9,887	467	594	8,826
DEDHAM	8,887	2,208	560	6,120	8,198	2,322	550	5,325	7,983	2,005	547	5,431
DOVER	1,096	190	131	774	1,033	190	128	715	998	200	125	672
FRAMINGHAM	59,096	7,650	254	51,191	53,682	7,272	329	46,082	53,030	6,470	347	46,212
HAMILTON	877	61	180	635	866	58	176	632	818	61	176	581
HINGHAM	9,405	497	510	8,399	8,993	453	498	8,043	8,743	466	492	7,786
HOLBROOK	8,202	819	244	7,140	7,562	636	239	6,687	7,510	543	237	6,730
HULL	6,503	896	231	5,375	6,459	783	226	5,450	6,380	728	223	5,428
LEXINGTON	15,996	99	736	15,162	15,712	153	716	14,843	13,313	150	706	12,456
LINCOLN	2,182	10	165	2,007	2,070	16	158	1,896	2,013	26	142	1,845
LYNN	193,737	24,646	2,038	167,054	183,308	21,398	1,995	159,915	177,203	18,361	1,981	156,861
LYNNFIELD	5,560	142	281	5,136	5,472	116	274	5,082	5,346	113	268	4,965
MANCHESTER	258	49	118	91	238	46	115	76	228	50	114	65
MARBLEHEAD	7,469	2,700	452	4,317	7,324	2,856	443	4,025	7,187	2,622	437	4,128
MEDFIELD	7,822	578	280	6,964	7,695	607	269	6,820	7,551	567	266	6,717
MELROSE	14,518	3,015	617	10,886	14,187	2,893	605	10,689	13,930	2,786	599	10,546
MIDDLETON	2,341	223	215	1,903	2,313	214	209	1,891	2,274	219	204	1,851
NAHANT	966	43	77	846	956	55	75	826	936	74	75	787
NATICK	14,554	1,258	178	13,118	13,896	1,145	203	12,547	13,541	1,244	206	12,091
NEEDHAM	11,814	735	674	10,405	11,025	697	655	9,674	10,467	657	643	9,167
NORFOLK	4,734	324	144	4,265	4,614	362	152	4,100	4,529	302	152	4,075
NORWOOD	11,871	1,400	641	9,830	11,293	1,296	631	9,366	10,782	965	626	9,191
PEABODY	27,938	1,363	1,157	25,418	27,557	1,193	1,133	25,230	27,033	1,134	1,126	24,773
QUINCY	48,480	1,875	2,063	44,542	47,322	1,839	2,026	43,457	46,845	1,449	2,022	43,374
RANDOLPH	24,189	7,298	743	16,149	22,571	6,035	729	15,806	21,465	4,460	724	16,282
READING	14,377	161	566	13,649	14,142	167	552	13,423	13,887	102	548	13,238
SALEM	30,468	7,979	945	21,544	30,217	8,021	926	21,270	30,109	7,148	920	22,040
SAUGUS	10,362	3,187	617	6,559	10,080	2,768	604	6,708	9,712	2,492	600	6,621
SHARON	9,026	388	400	8,237	8,847	376	393	8,078	8,762	452	390	7,920
STONEHAM	8,792	1,320	485	6,987	8,423	1,296	474	6,653	7,984	1,090	470	6,423
SWAMPSCOTT	5,205	538	319	4,348	4,895	350	303	4,242	4,750	299	302	4,150
TOPSFIELD	1,971	171	144	1,656	1,927	160	141	1,627	1,887	156	138	1,593
WAKEFIELD	10,330	994	592	8,744	10,219	1,193	579	8,447	9,516	1,009	564	7,943
WALPOLE	11,069	1,113	553	9,402	10,917	968	541	9,408	10,687	780	537	9,370
WALTHAM	23,484	447	1,397	21,640	21,966	512	1,368	20,087	20,564	626	1,346	18,592
WELLESLEY	10,400	1,071	189	9,140	9,811	614	625	8,571	9,563	597	629	8,337
WENHAM	465	117	114	234	449	114	111	224	431	114	109	207
WESTON	4,137	69	266	3,802	3,995	48	260	3,688	3,720	39	256	3,425
WESTWOOD	6,213	323	354	5,536	5,966	299	325	5,341	5,780	270	322	5,188
WEYMOUTH	38,450	4,375	1,233	32,841	38,438	3,786	1,207	33,445	37,632	2,538	1,199	33,895
WILMINGTON	14,356	222	519	13,616	14,215	248	506	13,461	13,986	204	501	13,281
WINCHESTER	10,696	93	494	10,109	9,653	43	483	9,127	9,456	107	478	8,872
WINTHROP	11,693	468	400	10,825	11,013	355	391	10,267	10,769	286	392	10,091
WOBURN	15,776	3,032	872	11,872	15,395	2,958	851	11,586	14,995	2,676	845	11,474
OTHER SERVED COMMUNITIES												
ABINGTON	10,301	834	80	9,387	10,002	877	80	9,045	9,829	836	81	8,912
ACTON	1,657	312	0	1,345	1,605	275	0	1,330	1,505	174	75	1,256
AMESBURY	11,743	2,801	0	8,942	11,592	2,714	0	8,878	11,401	2,617	0	8,784
ANDOVER	12,830	837	0	11,994	12,207	575	4	11,629	11,864	578	35	11,251
ASHBURNHAM	1,030	21	28	980	986	22	27	937	952	28	22	902
ASHBY	596	22	4	570	587	20	5	561	566	12	13	542
ASHLAND	8,086	631	22	7,433	7,823	660	27	7,137	7,726	931	53	6,742
ATTLEBORO	45,086	5,421	0	39,665	42,915	4,965	0	37,949	42,298	4,378	0	37,920
AUBURN	13,432	660	0	12,772	12,332	656	0	11,675	11,128	560	0	10,569
AYER	968	60	35	873	954	64	29	861	889	69	24	795
BELLINGHAM	10,892	1,752	0	9,140	10,705	1,601	0	9,105	10,599	1,474	0	9,125
BERKLEY	5,219	201	8	5,010	5,194	189	8	4,997	5,136	170	8	4,957
BILLERICA	26,072	5,220	0	20,852	25,745	5,258	0	20,486	25,442	5,591	0	19,851
BOURNE	8,694	4,921	39	3,735	8,553	4,672	39	3,842	8,575	4,234	42	4,299
BOXBOROUGH	295	44	28	223	280	45	27	208	271	46	25	200
BOXFORD	2,418	99	53	2,266	2,385	98	54	2,233	2,357	123	51	2,183
BRIDGEWATER	4,281	262	144	3,875	4,121	245	145	3,731	4,029	247	141	3,641
BROCKTON	200,503	17,768	0	182,735	196,123	15,						

Municipality	FY2019				FY2018				FY2017			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
HANOVER	9,350	625	5	8,720	9,246	637	9	8,601	9,067	625	11	8,431
HANSON	1,504	84	71	1,349	1,466	82	69	1,315	1,417	81	68	1,269
HARVARD	3,835	290	30	3,514	3,754	886	28	2,841	3,717	765	32	2,920
HAVERTHILL	66,431	6,064	0	60,367	63,963	5,308	0	58,655	60,855	5,187	0	55,668
HOLDEN	2,205	29	112	2,064	2,147	28	110	2,010	2,098	30	106	1,962
HOLLISTON	10,027	491	14	9,522	10,094	462	18	9,613	10,011	336	35	9,640
HOPKINTON	8,034	418	67	7,550	7,427	336	67	7,024	7,277	391	89	6,797
IPSWICH	5,895	290	2	5,603	5,869	326	0	5,542	5,750	267	50	5,432
KINGSTON	5,696	447	0	5,249	5,597	308	0	5,289	5,526	301	0	5,225
LAKEVILLE	1,518	164	20	1,334	1,255	155	24	1,076	1,235	154	25	1,056
LANCASTER	1,191	106	28	1,057	1,156	108	26	1,021	1,107	104	27	975
LAWRENCE	211,737	26,691	0	185,046	203,123	23,577	0	179,546	200,645	22,431	0	178,214
LEICESTER	12,206	540	0	11,666	12,215	633	0	11,582	12,086	529	0	11,557
LEOMINSTER	52,508	3,684	0	48,824	52,365	3,536	0	48,829	51,797	3,547	0	48,249
LITTLETON	5,423	1,137	40	4,245	5,411	1,125	33	4,252	5,207	1,075	36	4,096
LOWELL	181,750	26,756	0	154,995	174,108	24,703	0	149,405	167,481	22,846	0	144,635
LUNENBURG	9,074	1,045	0	8,030	8,973	1,389	0	7,584	7,995	1,097	37	6,861
MANSFIELD	21,715	2,417	0	19,298	21,372	2,045	0	19,328	21,322	2,316	0	19,006
MARLBOROUGH	34,021	9,305	0	24,716	31,654	8,766	0	22,888	31,471	8,366	0	23,105
MARSHFIELD	17,174	752	0	16,423	17,051	836	0	16,215	16,829	774	0	16,055
MAYNARD	7,624	1,059	0	6,565	7,146	825	0	6,320	6,665	569	0	6,097
MEDWAY	12,333	770	0	11,563	12,233	660	0	11,573	12,140	750	0	11,391
MERRIMAC	1,007	106	0	901	957	98	0	859	922	93	0	828
METHUEN	50,897	2,777	0	48,120	48,601	2,379	0	46,222	48,057	1,933	0	46,124
MIDDLEBOROUGH	21,315	1,353	0	19,963	21,224	1,207	0	20,017	21,020	1,096	0	19,924
MILLBURY	9,454	559	0	8,895	9,163	504	0	8,659	8,972	405	0	8,567
MILLIS	6,422	328	19	6,075	6,284	309	18	5,957	6,256	300	28	5,928
NEWBURY	896	102	35	758	881	90	37	755	853	106	37	710
NEWBURYPORT	7,354	2,914	0	4,440	7,244	2,756	0	4,488	7,465	2,549	0	4,915
NORTH ANDOVER	11,648	552	0	11,096	10,837	495	0	10,342	10,668	387	47	10,234
NORTH ATTLEBOROUGH	24,348	4,772	0	19,576	24,080	4,213	0	19,867	23,749	3,716	0	20,032
NORTH READING	9,214	137	104	8,973	9,047	91	102	8,854	8,911	62	101	8,748
NORTHBOROUGH	5,350	186	75	5,089	5,245	135	72	5,039	5,135	123	75	4,937
NORTHBURIDGE	18,654	1,315	0	17,340	18,505	1,248	1	17,256	18,240	1,114	0	17,126
NORTON	15,902	2,152	25	13,725	15,439	1,870	25	13,544	15,166	2,161	27	12,978
NORWELL	4,951	1,182	73	3,695	4,776	1,238	72	3,466	4,700	1,159	71	3,471
PAXTON	682	25	24	633	667	29	21	617	644	16	20	608
PEMBROKE	15,587	909	0	14,678	15,414	835	0	14,579	15,259	710	0	14,549
PLYMOUTH	33,223	10,101	0	23,121	31,725	8,829	0	22,896	30,405	8,716	0	21,689
PLYMPTON	1,069	91	19	958	1,073	92	19	962	1,023	50	19	954
PRINCETON	509	4	23	482	493	4	22	466	482	4	21	457
RAYNHAM	1,474	403	0	1,071	1,455	393	0	1,062	1,384	369	0	1,015
REHOBOTH	1,296	322	61	913	1,268	313	60	896	1,225	294	59	872
ROCHESTER	2,438	98	1	2,338	2,352	88	8	2,256	2,324	92	10	2,222
ROCKLAND	17,354	3,141	69	14,144	17,264	3,048	68	14,149	16,927	2,621	71	14,234
ROCKPORT	3,797	727	0	3,070	3,469	718	0	2,752	3,311	690	0	2,621
ROWLEY	722	66	42	614	711	62	41	608	688	67	40	582
SALISBURY	1,188	146	0	1,042	1,171	138	0	1,033	1,150	135	0	1,015
SCITUATE	7,836	768	0	7,067	7,681	737	4	6,941	7,575	658	40	6,877
SEEKONK	6,900	525	0	6,376	6,562	467	0	6,094	6,506	450	0	6,056
SHERBORN	932	50	29	854	896	62	28	805	810	49	28	732
SHIRLEY	1,536	23	35	1,477	1,485	31	31	1,423	1,444	25	34	1,386
SHREWSBURY	23,321	839	170	22,312	23,018	840	163	22,016	22,622	1,094	159	21,369
SOUTHBOROUGH	3,469	195	0	3,274	3,423	197	0	3,226	3,370	162	0	3,208
STERLING	816	28	33	755	790	25	35	730	718	27	34	657
STOUGHTON	20,189	4,745	19	15,425	19,589	4,183	23	15,383	19,196	3,598	30	15,568
STOW	512	102	4	406	497	104	2	391	452	103	0	349
SUDBURY	6,456	197	16	6,243	6,396	216	22	6,157	6,170	146	82	5,943
SUTTON	6,705	156	54	6,495	6,665	140	55	6,470	6,552	114	54	6,384
TAUNTON	70,680	2,631	0	68,050	68,116	2,236	0	65,880	65,508	2,123	0	63,385
TEWKSBURY	16,806	1,751	0	15,055	16,585	1,626	0	14,959	16,360	1,482	0	14,878
TOWNSEND	1,645	55	19	1,571	1,573	54	18	1,501	1,584	54	18	1,513
TYNGSBOROUGH	9,100	1,399	0	7,701	8,975	1,385	0	7,591	8,787	1,352	28	7,406
UPTON	805	7	52	746	769	7	51	711	743	7	51	685
WAREHAM	16,425	4,450	0	11,975	16,114	4,133	0	11,981	15,495	3,798	0	11,697
WAYLAND	5,718	168	55	5,495	5,285	97	56	5,131	5,029	125	56	4,847
WEST BOYLSTON	4,733	416	0	4,317	4,829	467	0	4,362	4,771	468	0	4,303
WEST BRIDGEWATER	5,827	646	38	5,143	5,750	659	37	5,055	5,795	531	36	5,227
WEST NEWBURY	382	50	28	304	377	46	28	303	362	49	29	285
WESTBOROUGH	9,381	645	43	8,693	9,291	596	48	8,647	7,230	502	41	6,687
WESTFORD	19,877	638	0	19,239	19,691	541	0	19,150	19,344	526	0	18,818
WESTMINSTER	901	45	13	842	867	29	28	810	843	33	25	785
WHITMAN	2,772	117	74	2,581	2,719	113	75	2,531	2,617	110	75	2,431
WORCESTER	301,269	32,890	0	268,379	291,854	31,498	0	260,356	280,037	31,043	0	248,995
WRENTHAM	4,904	708	0	4,196	4,813	554	0	4,259	4,840	593	0	4,247

Municipality	FY2016				FY2015				FY2014			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
FOURTEEN CITIES AND TOWNS												
ARLINGTON	18,230	285	2,829	15,117	17,463	287	2,791	14,385	17,093	253	2,745	14,095
BELMONT	8,951	110	1,627	7,213	8,570	117	1,609	6,844	7,940	72	1,585	6,284
BOSTON	419,966	155,394	82,998	181,574	413,891	139,303	81,270	193,318	403,977	117,160	79,151	207,666
BROOKLINE	18,281	1,255	5,065	11,961	17,078	1,169	5,032	10,877	16,102	1,182	5,018	9,902
CAMBRIDGE	32,626	12,794	9,190	10,642	32,100	12,273	9,063	10,763	30,602	12,520	8,985	9,097
CHELSEA	80,582	8,887	2,420	69,275	74,147	7,069	2,351	64,727	70,510	5,796	2,254	62,460
EVERETT	71,546	8,837	2,758	59,951	68,006	8,228	2,718	57,060	62,295	7,576	2,670	52,049
MALDEN	61,329	9,501	3,887	47,940	59,613	8,996	3,854	46,763	59,346	8,866	3,810	46,670
MEDFORD	23,578	4,671	3,673	15,234	22,897	4,229	3,641	15,027	22,500	4,160	3,600	14,740
MILTON	9,945	1,608	1,752	6,585	9,782	1,706	1,734	6,342	9,489	1,600	1,730	6,159
NEWTON	26,104	375	5,652	20,077	25,423	411	5,510	19,502	22,975	321	5,456	17,198
REVERE	65,198	4,847	3,453	56,898	61,710	4,418	3,395	53,897	58,519	4,352	3,317	50,851
SOMERVILLE	44,713	8,347	5,063	31,303	44,615	8,545	4,923	31,147	43,352	7,552	4,854	30,944
WATERTOWN	10,842	329	2,120	8,394	10,589	337	2,098	8,154	9,978	209	2,045	7,724
FIFTY-ONE CITIES AND TOWNS												
BEDFORD	6,218	70	299	5,849	6,156	86	293	5,777	5,697	94	284	5,319
BEVERLY	14,055	633	871	12,551	13,598	1,055	857	11,685	12,858	1,156	844	10,858
BRAINTREE	21,104	2,843	786	17,475	20,270	2,997	771	16,501	19,308	2,845	763	15,700
BURLINGTON	8,556	112	545	7,899	8,395	131	536	7,729	8,152	79	523	7,549
CANTON	7,463	479	476	6,508	7,230	484	467	6,279	7,089	485	461	6,144
COHASSET	2,934	248	177	2,509	2,832	830	174	1,827	2,721	803	161	1,757
CONCORD	4,298	102	413	3,783	4,182	125	403	3,654	3,820	65	377	3,378
DANVERS	9,527	393	589	8,545	9,320	357	575	8,388	9,013	564	566	7,883
DEDHAM	7,641	1,940	542	5,160	7,490	1,904	531	5,054	7,155	1,891	528	4,735
DOVER	965	192	124	649	949	180	122	648	877	175	119	583
FRAMINGHAM	48,441	6,284	434	41,722	44,342	5,809	453	38,079	42,105	5,059	485	36,560
HAMILTON	795	56	174	564	796	56	172	568	739	80	166	493
HINGHAM	8,369	366	487	7,516	8,193	334	479	7,379	8,038	333	473	7,232
HOLBROOK	7,200	387	235	6,578	7,149	397	232	6,520	6,646	432	230	5,983
HULL	6,172	547	221	5,403	6,105	438	219	5,447	5,997	476	220	5,501
LEXINGTON	11,569	118	699	10,751	11,193	125	687	10,382	10,202	134	671	9,398
LINCOLN	1,839	21	141	1,677	1,799	25	138	1,636	1,705	71	136	1,498
LYNN	172,539	16,221	1,961	154,357	162,104	13,370	1,942	146,791	156,253	12,168	1,929	142,155
LYNNFIELD	5,208	151	265	4,792	5,118	123	251	4,744	4,976	177	248	4,551
MANCHESTER	220	46	112	62	211	45	111	55	206	45	110	52
MARBLEHEAD	6,924	2,461	432	4,030	6,787	2,393	427	3,967	6,843	2,449	423	3,971
MEDFIELD	7,358	557	264	6,538	7,264	233	260	6,771	7,158	211	257	6,691
MELROSE	13,402	2,747	593	10,062	13,247	2,674	584	9,989	12,919	2,520	576	9,823
MIDDLETON	2,187	219	202	1,766	2,145	210	197	1,738	2,090	204	192	1,693
NAHANT	913	89	74	749	866	72	73	720	846	95	73	679
NATICK	13,017	1,106	246	11,664	12,852	1,306	233	11,313	12,364	1,278	248	10,837
NEEDHAM	10,117	655	637	8,825	9,966	649	625	8,692	9,601	657	617	8,328
NORFOLK	4,460	288	172	4,000	4,401	245	169	3,986	4,323	202	173	3,948
NORWOOD	10,344	771	620	8,953	10,089	669	612	8,807	9,749	636	611	8,503
PEABODY	26,218	1,064	1,114	24,039	25,722	1,035	1,104	23,584	26,122	1,731	1,095	23,296
QUINCY	45,743	1,391	2,002	42,350	45,029	1,236	1,980	41,813	43,540	1,217	1,971	40,352
RANDOLPH	20,868	4,323	716	15,829	20,389	4,012	707	15,670	19,766	3,833	686	15,247
READING	13,539	85	542	12,912	13,331	77	536	12,718	13,139	120	529	12,489
SALEM	29,503	6,202	911	22,390	29,109	5,467	898	22,743	28,180	4,776	883	22,521
SAUGUS	9,636	2,425	594	6,617	9,361	2,249	582	6,531	9,130	2,724	569	5,838
SHARON	8,491	397	386	7,708	8,378	405	379	7,593	8,217	426	376	7,415
STONEHAM	7,644	1,046	465	6,133	7,442	1,079	460	5,904	7,210	1,021	458	5,732
SWAMPSCOTT	4,492	282	299	3,911	4,398	225	296	3,877	4,154	266	295	3,594
TOPSFIELD	1,829	159	137	1,533	1,798	150	133	1,515	1,751	177	130	1,444
WAKEFIELD	9,006	987	558	7,460	8,814	880	545	7,389	8,418	845	532	7,041
WALPOLE	10,329	632	531	9,165	10,114	565	523	9,026	10,044	705	514	8,825
WALTHAM	19,052	459	1,333	17,261	18,081	444	1,318	16,319	17,100	340	1,295	15,465
WELLESLEY	9,252	597	623	8,032	9,089	558	612	7,919	9,076	573	598	7,905
WENHAM	416	112	108	196	410	110	106	193	394	121	104	169
WESTON	3,459	24	254	3,182	3,411	35	250	3,126	2,981	35	241	2,706
WESTWOOD	5,606	263	319	5,024	5,511	273	314	4,924	5,314	269	312	4,733
WEYMOUTH	36,433	1,859	1,187	33,387	36,139	1,726	1,168	33,245	35,534	1,446	1,148	32,940
WILMINGTON	13,695	207	496	12,992	13,612	216	488	12,908	13,366	299	477	12,590
WINCHESTER	9,152	51	473	8,628	9,022	60	465	8,497	8,869	54	456	8,358
WINTHROP	10,536	289	388	9,859	10,364	231	382	9,752	9,992	262	374	9,356
WOBURN	14,596	2,836	837	10,923	14,260	2,626	829	10,805	13,166	2,466	814	9,886
OTHER SERVED COMMUNITIES												
ABINGTON	9,710	831	83	8,796	9,644	617	87	8,940	9,424	495	85	8,845
ACTON	1,510	167	76	1,267	1,465	162	75	1,227	7,008	244	73	6,690
AMESBURY	11,327	2,845	0	8,483	11,285	2,758	0	8,527	11,100	2,913	0	8,187
ANDOVER	11,219	459	59	10,702	11,066	650	52	10,365	10,426	2,731	79	7,617
ASHBURNHAM	914	33	17	864	910	29	21	860	847	33	14	800
ASHBY	550	13	11	526	532	10	14	508	526	7	17	502
ASHLAND	7,307	1,213	73	6,021	7,181	1,209	73	5,899	7,158	1,195	74	5,889
ATTLEBORO	41,716	4,616	0	37,101	40,475	4,518	0	35,957	40,310	4,439	0	35,871
AUBURN	10,457	646	0	9,811	10,386	735	0	9,651	10,056	706	0	9,350
AYER	873	62	27	784	858	65	25	769	845	61	23	761
BELLINGHAM	10,382	1,218	0	9,164	10,182	925	0	9,257	10,031	819	0	9,212
BERKLEY	4,949	192	9	4,748	4,847	183	9	4,655	4,740	169	10	4,561
BILLERICA	25,227	5,874	0	19,353	25,059	5,887	0	19,172	24,554	5,579	0	18,976
BOURNE	8,063	3,970	0	4,093	7,639	3,719	0	3,920	7,501	3,460	0	4,041
BOXBOROUGH	260	41	25	194	247	44	23	179	1,742	54	20	1,668
BOXFORD	2,281	86	53	2,142	2,248	87	52	2,109	2,207	120	52	2,035
BRIDGEWATER	3,881	267	140	3,475	3,728	259	141	3,328	3,649	243	138	3,268
BROCKTON	191,268	8,015	0	183,253	185,168	7,176	0	177,991	178,063	7,176		

Municipality	FY2016				FY2015				FY2014			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
HANOVER	8,834	563	24	8,246	8,736	555	46	8,135	8,579	478	91	8,010
HANSON	1,371	78	68	1,225	1,312	78	67	1,167	1,265	75	67	1,123
HARVARD	3,622	809	31	2,782	3,602	756	32	2,814	3,527	664	32	2,830
HAVERTHILL	57,301	4,970	0	52,331	55,670	5,010	0	50,660	54,319	5,443	0	48,876
HOLDEN	1,976	31	104	1,840	1,910	40	92	1,777	1,846	39	90	1,717
HOLLISTON	9,779	249	46	9,484	9,392	319	47	9,027	9,198	247	50	8,901
HOPKINTON	7,072	517	93	6,462	6,976	477	90	6,408	6,906	476	88	6,342
IPSWICH	5,582	270	51	5,262	5,558	268	52	5,239	5,427	437	50	4,940
KINGSTON	5,471	343	0	5,128	5,451	284	0	5,166	5,332	214	2	5,116
LAKEVILLE	1,231	151	26	1,054	1,210	145	27	1,038	1,027	140	27	861
LANCASTER	1,090	92	28	970	1,050	94	29	927	1,041	93	30	918
LAWRENCE	199,347	21,261	0	178,086	191,184	19,741	0	171,443	179,658	17,778	0	161,880
LEICESTER	11,950	476	0	11,475	11,726	423	0	11,303	11,639	483	0	11,156
LEOMINSTER	51,123	3,635	0	47,488	50,986	3,695	0	47,291	50,432	3,687	0	46,746
LITTLETON	5,019	1,003	39	3,977	5,043	1,012	40	3,991	4,888	959	36	3,894
LOWELL	164,224	20,827	0	143,397	163,240	18,111	0	145,129	157,740	16,585	0	141,155
LUNENBURG	7,518	1,265	39	6,215	7,195	1,076	37	6,081	6,855	1,130	32	5,693
MANSFIELD	20,854	2,350	0	18,505	20,637	2,297	0	18,340	20,642	2,433	0	18,208
MARLBOROUGH	29,309	6,777	0	22,532	25,289	5,589	3	19,697	24,334	4,686	15	19,633
MARSHFIELD	16,534	822	0	15,712	16,374	876	0	15,498	16,255	850	0	15,405
MAYNARD	6,384	520	0	5,864	6,014	452	0	5,563	5,798	459	0	5,339
MEDWAY	11,837	714	1	11,122	11,728	696	5	11,027	11,657	696	7	10,955
MERRIMAC	893	82	0	811	880	84	0	796	792	156	0	636
METHUEN	46,850	1,655	0	45,195	46,487	1,449	0	45,037	45,741	1,885	0	43,856
MIDDLEBOROUGH	20,719	892	0	19,827	20,511	772	0	19,739	20,286	696	1	19,589
MILLBURY	8,767	327	0	8,440	8,705	356	0	8,349	8,523	301	0	8,222
MILLIS	6,103	306	29	5,767	6,031	278	43	5,711	5,898	278	40	5,580
NEWBURY	823	103	44	676	800	103	43	654	736	126	43	566
NEWBURYPORT	7,395	2,647	5	4,744	7,362	2,609	6	4,747	7,492	2,625	9	4,858
NORTH ANDOVER	10,361	354	78	9,929	9,643	392	68	9,183	9,383	1,030	72	8,281
NORTH ATTLEBOROUGH	23,321	3,537	0	19,784	23,045	3,405	0	19,640	22,825	3,056	0	19,769
NORTH READING	8,696	57	101	8,538	8,574	42	99	8,433	8,404	109	98	8,197
NORTHBOROUGH	4,995	199	74	4,722	4,928	228	72	4,628	4,845	301	69	4,475
NORTHBURGE	18,054	862	47	17,145	17,916	750	104	17,063	17,790	662	103	17,025
NORTON	14,867	2,216	29	12,622	14,690	2,395	30	12,265	14,565	2,445	31	12,089
NORWELL	4,491	1,101	70	3,320	4,408	1,074	69	3,265	4,286	1,134	69	3,082
PAXTON	625	21	24	580	607	27	32	549	593	21	31	540
PEMBROKE	14,965	616	0	14,350	14,897	653	0	14,244	14,815	605	0	14,210
PLYMOUTH	30,377	8,636	0	21,742	30,010	7,758	8	22,244	29,585	7,244	27	22,314
PLYMPTON	1,025	63	19	943	981	54	19	908	919	35	19	865
PRINCETON	469	5	20	444	456	5	20	432	438	6	18	414
RAYNHAM	1,334	359	0	975	1,315	344	0	971	1,274	338	0	936
REHOBOTH	1,259	292	59	907	1,236	297	59	880	1,208	286	59	864
ROCHESTER	2,271	89	10	2,173	2,245	87	3	2,156	2,199	75	11	2,113
ROCKLAND	15,663	2,387	70	13,206	13,821	2,187	64	11,570	13,097	2,347	65	10,684
ROCKPORT	3,093	681	0	2,413	3,013	709	0	2,304	2,729	665	0	2,064
ROWLEY	680	61	40	580	640	61	39	540	583	99	38	446
SALISBURY	1,124	118	10	995	1,117	115	12	989	1,031	180	0	851
SCITUATE	7,245	484	47	6,714	7,085	430	47	6,607	6,958	345	119	6,494
SEEKONK	6,394	434	0	5,960	6,307	384	0	5,923	6,071	382	0	5,689
SHERBORN	781	43	28	710	783	44	27	711	735	57	25	654
SHIRLEY	1,393	23	35	1,335	1,348	23	34	1,291	1,299	24	32	1,243
SHREWSBURY	22,203	1,450	160	20,593	22,035	1,546	154	20,335	21,937	1,655	152	20,130
SOUTHBOROUGH	3,294	127	8	3,159	3,242	158	10	3,074	3,204	239	13	2,952
STERLING	724	22	37	665	690	20	40	631	685	21	38	626
STOUGHTON	18,614	3,330	46	15,238	18,162	3,094	43	15,025	17,815	2,930	39	14,846
STOW	426	89	6	331	407	85	12	310	401	87	7	307
SUDBURY	5,936	125	93	5,718	5,883	121	92	5,670	5,728	88	93	5,547
SUTTON	6,499	138	51	6,310	6,450	114	50	6,286	6,377	78	52	6,247
TAUNTON	62,457	1,661	0	60,796	59,529	1,648	0	57,880	56,836	1,660	0	55,177
TEWKSBURY	16,211	1,554	0	14,657	16,116	1,648	0	14,468	15,741	1,565	0	14,176
TOWNSEND	1,491	52	19	1,420	1,434	51	19	1,363	1,424	49	19	1,356
TYNGSBOROUGH	8,669	1,345	29	7,295	8,723	1,296	34	7,393	8,682	1,279	47	7,356
UPTON	718	7	50	660	694	7	50	637	634	8	49	577
WAREHAM	15,229	3,524	0	11,705	15,080	2,997	0	12,083	14,949	2,359	0	12,590
WAYLAND	4,667	43	67	4,557	4,581	56	66	4,459	4,218	93	67	4,059
WEST BOYLSTON	4,620	588	0	4,032	4,622	588	1	4,032	4,308	482	0	3,826
WEST BRIDGEWATER	5,087	525	36	4,526	4,940	579	31	4,330	4,728	489	31	4,208
WEST NEWBURY	357	44	29	284	355	44	28	283	342	93	28	221
WESTBOROUGH	6,440	485	65	5,890	6,375	265	119	5,990	5,988	238	119	5,631
WESTFORD	18,944	451	0	18,493	18,774	420	0	18,354	18,573	458	0	18,115
WESTMINSTER	832	37	20	775	789	34	22	733	853	37	19	796
WHITMAN	2,577	109	74	2,393	2,465	115	67	2,283	2,372	114	65	2,193
WORCESTER	274,831	31,142	0	243,689	262,172	30,557	0	231,615	262,735	30,250	0	232,485
WRENTHAM	4,711	468	0	4,243	4,592	357	0	4,235	4,529	350	0	4,179

Municipality	FY2013				FY2012				FY2011			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
FOURTEEN CITIES AND TOWNS												
ARLINGTON	15,040	274	2,716	12,050	13,421	332	2,514	10,575	13,577	156	2,508	10,912
BELMONT	7,755	76	1,568	6,111	7,456	70	1,427	5,959	7,590	68	1,425	6,096
BOSTON	396,824	100,204	78,301	218,319	379,276	88,725	77,760	212,791	387,347	78,500	74,532	234,314
BROOKLINE	14,575	1,124	4,964	8,487	12,156	1,139	4,533	6,484	12,569	1,078	4,479	7,013
CAMBRIDGE	30,980	12,933	8,889	9,159	29,752	11,737	8,741	9,275	31,632	10,888	8,615	12,128
CHELSEA	65,086	4,774	2,230	58,082	61,411	3,737	2,259	55,415	59,481	2,581	2,544	54,355
EVERETT	56,637	7,371	2,641	46,625	49,928	7,049	2,308	40,571	45,748	6,871	2,286	36,592
MALDEN	59,250	8,928	3,769	46,553	56,177	8,527	3,384	44,266	51,845	7,446	3,402	40,997
MEDFORD	22,217	4,198	3,561	14,458	21,249	6,892	3,349	11,008	22,253	7,073	3,401	11,779
MILTON	9,323	1,558	1,712	6,053	8,842	1,746	1,578	5,517	8,985	1,751	1,602	5,631
NEWTON	21,643	413	5,398	15,832	18,600	491	5,098	13,011	18,871	563	5,026	13,282
REVERE	56,500	4,149	3,281	49,070	50,674	4,615	3,115	42,943	48,567	4,715	3,684	40,168
SOMERVILLE	42,437	7,064	4,802	30,571	40,869	7,120	4,608	29,141	43,441	7,129	4,630	31,682
WATERTOWN	9,253	216	2,023	7,013	8,731	215	1,996	6,520	9,149	181	1,980	6,987
FIFTY-ONE CITIES AND TOWNS												
BEDFORD	5,456	76	281	5,098	4,468	47	278	4,144	4,529	33	276	4,220
BEVERLY	12,487	950	835	10,703	12,030	958	794	10,278	12,505	943	802	10,759
BRAINTREE	18,912	2,757	755	15,399	17,130	2,843	709	13,579	16,853	3,255	720	12,877
BURLINGTON	7,920	123	518	7,279	7,494	69	516	6,909	7,579	107	510	6,963
CANTON	6,862	454	456	5,953	5,965	403	450	5,112	5,791	510	450	4,831
COHASSET	2,251	772	159	1,320	2,111	814	149	1,148	2,136	853	146	1,137
CONCORD	3,745	108	373	3,263	3,610	106	353	3,150	3,686	98	356	3,232
DANVERS	8,611	483	560	7,568	6,894	391	547	5,956	7,061	511	546	6,004
DEDHAM	6,910	1,805	523	4,583	6,475	1,822	499	4,154	6,712	1,912	502	4,298
DOVER	860	172	118	569	827	168	115	544	841	158	115	568
FRAMINGHAM	38,176	4,534	532	33,110	31,417	3,561	778	27,079	29,595	3,181	766	25,648
HAMILTON	718	67	164	487	690	65	166	460	727	52	166	509
HINGHAM	7,844	281	468	7,095	7,058	321	467	6,269	7,046	317	460	6,269
HOLBROOK	6,185	361	228	5,595	6,013	444	216	5,353	6,010	369	217	5,424
HULL	5,876	397	218	5,261	5,697	504	223	4,969	5,717	536	225	4,956
LEXINGTON	9,410	150	663	8,597	8,442	105	621	7,715	8,509	120	617	7,772
LINCOLN	1,654	8	134	1,513	1,589	28	174	1,387	1,621	20	165	1,437
LYNN	147,951	9,338	1,909	136,704	138,464	7,942	1,758	128,764	134,368	6,657	1,774	125,938
LYNNFIELD	4,895	150	245	4,500	4,745	137	242	4,366	4,778	122	233	4,423
MANCHESTER	203	44	108	51	193	43	105	46	208	40	107	61
MARBLEHEAD	6,327	2,433	419	3,475	6,045	1,993	401	3,651	6,262	1,713	407	4,142
MEDFIELD	7,052	187	254	6,611	6,841	215	247	6,379	6,915	241	250	6,424
MELROSE	12,781	2,599	570	9,611	12,059	2,603	544	8,912	12,346	2,477	545	9,324
MIDDLETON	2,064	66	190	1,808	1,996	65	186	1,746	2,027	76	197	1,754
NAHANT	815	33	72	711	773	49	73	651	835	109	71	655
NATICK	11,658	1,255	270	10,134	10,593	975	385	9,232	10,795	963	393	9,440
NEEDHAM	9,314	628	610	8,076	8,578	615	583	7,380	8,227	498	583	7,147
NORFOLK	4,274	217	172	3,885	4,165	208	161	3,795	4,210	212	182	3,816
NORWOOD	9,337	529	604	8,203	8,790	567	572	7,652	9,087	508	575	8,003
PEABODY	25,482	1,954	1,083	22,445	24,753	3,915	1,039	19,799	25,145	4,551	1,047	19,547
QUINCY	41,816	1,253	1,950	38,613	38,047	1,263	1,829	34,954	37,243	1,349	1,883	34,010
RANDOLPH	18,960	3,534	679	14,748	16,791	3,573	624	12,595	16,544	3,128	614	12,802
READING	13,028	125	523	12,381	12,349	121	472	11,756	12,531	83	470	11,978
SALEM	28,160	4,677	874	22,610	25,017	5,942	831	18,244	23,967	6,151	841	16,974
SAUGUS	7,725	1,754	563	5,408	7,360	1,556	561	5,242	7,708	1,433	560	5,715
SHARON	8,082	347	372	7,362	7,862	425	362	7,075	7,843	410	354	7,079
STONEHAM	7,012	844	453	5,715	6,633	843	433	5,357	6,893	735	438	5,721
SWAMPSCOTT	3,973	300	291	3,381	3,688	403	282	3,003	3,829	533	284	3,012
TOPSFIELD	1,723	81	129	1,513	1,673	93	123	1,457	1,702	74	123	1,505
WAKEFIELD	8,138	933	527	6,678	7,823	856	506	6,461	8,003	749	501	6,753
WALPOLE	9,781	580	509	8,692	9,431	616	471	8,344	9,580	617	472	8,491
WALTHAM	16,309	298	1,281	14,730	15,091	389	1,217	13,485	15,781	319	1,229	14,233
WELLESLEY	8,927	562	591	7,773	8,648	551	551	7,546	8,692	529	556	7,608
WENHAM	381	54	103	224	366	52	96	218	388	40	98	251
WESTON	2,931	51	238	2,642	2,826	81	240	2,504	2,815	47	239	2,530
WESTWOOD	5,160	252	309	4,600	4,535	273	288	3,975	4,582	265	289	4,027
WEYMOUTH	35,194	1,351	1,136	32,708	33,062	1,174	1,085	30,803	30,629	1,092	1,086	28,451
WILMINGTON	13,184	265	472	12,447	12,548	185	449	11,913	12,686	206	442	12,038
WINCHESTER	8,546	52	452	8,042	7,530	52	432	7,046	7,076	31	430	6,615
WINTHROP	9,271	279	370	8,622	8,861	252	386	8,223	8,762	272	446	8,043
WOBURN	12,490	2,386	805	9,298	11,550	2,447	783	8,319	11,749	2,612	752	8,385
OTHER SERVED COMMUNITIES												
ABINGTON	9,295	421	84	8,790	9,108	384	89	8,635	9,182	325	85	8,772
ACTON	6,902	219	74	6,609	6,456	122	107	6,227	6,518	114	108	6,297
AMESBURY	10,997	2,335	0	8,661	10,914	2,373	0	8,540	10,975	2,418	37	8,520
ANDOVER	9,849	2,397	85	7,367	8,714	2,370	57	6,288	8,819	2,865	61	5,893
ASHBURNHAM	808	28	20	761	728	26	19	683	787	36	11	740
ASHBY	500	12	12	476	465	11	12	442	511	10	13	488
ASHLAND	7,010	1,072	76	5,862	6,482	1,000	65	5,418	6,207	901	70	5,237
ATTLEBORO	38,314	4,022	0	34,292	34,642	3,937	0	30,706	34,776	3,743	0	31,032
AUBURN	9,797	732	0	9,065	8,159	706	0	7,453	8,258	737	0	7,520
AYER	1,166	64	22	1,081	1,009	58	22	929	5,784	766	24	4,994
BELLINGHAM	9,914	871	0	9,042	9,724	856	0	8,868	9,740	887	11	8,841
BERKLEY	4,609	173	15	4,422	4,494	156	19	4,318	5,821	203	35	5,583
BILLERICA	24,457	5,509	10	18,937	23,193	5,485	42	17,667	23,732	5,563	64	18,105
BOURNE	7,365	3,037	0	4,329	7,311	2,877	0	4,434	7,056	2,366	0	4,690
BOXBOROUGH	1,738	54	20	1,665	1,706	42	20	1,644	1,723	43	18	1,662
BOXFORD	2,185	145	51	1,989	2,138	128	51	1,960	2,143	99	51	1,993
BRIDGEWATER	3,554	226	141	3,186	3,368	250	144	2,974	3,607	270	139	3,198
BROCKTON	167,341	6,061	0	161,279	157,676	5,815	0	151,862	149,383	5,686	0	143,697
CARLISLE	1,213											

Municipality	FY2013				FY2012				FY2011			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
HANOVER	8,457	463	90	7,904	7,797	429	88	7,280	7,922	434	89	7,400
HANSON	1,234	73	66	1,095	1,147	68	63	1,016	1,228	65	63	1,100
HARVARD	3,607	593	34	2,980	3,291	590	29	2,672	3,429	616	29	2,784
HAVERTHILL	50,478	5,315	0	45,163	45,312	5,240	0	40,073	44,919	5,087	0	39,832
HOLDEN	1,836	36	91	1,708	1,701	34	89	1,578	1,808	33	86	1,689
HOLLISTON	9,122	309	52	8,761	8,561	372	53	8,136	8,628	374	54	8,201
HOPKINTON	6,784	492	88	6,204	6,517	531	83	5,903	6,637	538	82	6,016
IPSWICH	5,417	358	48	5,011	5,115	327	48	4,740	5,295	235	79	4,981
KINGSTON	5,284	182	10	5,092	5,075	176	7	4,892	4,932	182	15	4,735
LAKEVILLE	1,219	137	27	1,055	869	120	32	716	3,042	121	41	2,880
LANCASTER	996	88	31	876	948	85	22	841	994	83	24	887
LAWRENCE	173,014	16,459	0	156,554	163,778	13,494	0	150,284	154,539	17,371	0	137,168
LEICESTER	11,484	444	0	11,040	11,320	419	0	10,901	11,183	401	0	10,781
LEOMINSTER	49,730	3,400	0	46,330	47,994	3,226	0	44,768	46,196	2,922	0	43,274
LITTLETON	4,809	985	34	3,790	4,510	947	31	3,532	4,511	938	29	3,544
LOWELL	150,750	11,787	0	138,963	144,034	11,757	0	132,277	138,806	12,800	0	126,006
LUNENBURG	6,719	1,029	33	5,657	5,936	771	31	5,134	5,982	709	30	5,243
MANSFIELD	20,447	2,245	18	18,184	20,030	1,895	40	18,095	20,153	1,897	55	18,201
MARLBOROUGH	23,084	4,310	27	18,747	19,678	3,871	103	15,705	19,581	4,003	107	15,472
MARSHFIELD	16,084	683	6	15,395	15,751	670	5	15,076	15,880	549	79	15,253
MAYNARD	5,606	442	0	5,163	5,001	521	0	4,480	5,116	560	0	4,557
MEDWAY	11,495	684	15	10,796	11,282	618	0	10,664	11,190	604	3	10,583
MERRIMAC	760	166	0	594	710	176	0	534	740	153	6	582
METHUEN	44,484	1,701	0	42,783	43,774	1,630	0	42,145	43,944	1,484	0	42,460
MIDDLEBOROUGH	20,179	686	9	19,484	19,612	531	0	19,082	19,202	477	0	18,726
MILLBURY	8,394	268	40	8,086	8,203	286	40	7,877	8,291	306	43	7,942
MILLIS	5,813	314	41	5,458	5,448	324	41	5,083	5,225	314	43	4,868
NEWBURY	715	171	34	510	677	194	32	451	698	182	44	472
NEWBURYPORT	7,157	2,582	4	4,572	6,873	2,491	6	4,376	6,797	2,472	31	4,293
NORTH ANDOVER	9,074	1,696	71	7,307	8,195	1,809	72	6,314	8,345	2,007	62	6,277
NORTH ATTLEBOROUGH	22,648	2,799	2	19,848	22,173	2,678	0	19,495	22,324	2,946	0	19,378
NORTH READING	8,254	94	97	8,063	8,002	128	90	7,784	8,102	97	109	7,896
NORTHBOROUGH	4,777	235	75	4,466	4,439	301	75	4,062	4,572	404	76	4,092
NORTHBURIDGE	17,593	720	102	16,770	16,415	674	92	15,649	15,884	735	91	15,058
NORTON	14,457	2,572	33	11,852	14,522	2,799	16	11,708	14,635	2,641	20	11,975
NORWELL	4,153	1,047	68	3,038	3,948	1,105	64	2,779	3,965	961	65	2,939
PAXTON	578	21	31	525	546	29	30	487	574	27	29	518
PEMBROKE	14,686	510	0	14,176	14,362	402	7	13,953	14,373	361	51	13,961
PLYMOUTH	28,399	6,425	62	21,912	27,574	5,383	62	22,129	27,088	4,644	68	22,376
PLYMPTON	834	48	18	767	794	58	17	719	811	55	18	739
PRINCETON	427	6	18	402	405	5	19	381	418	4	19	394
RAYNHAM	1,251	326	0	925	1,186	319	0	868	1,216	297	8	911
REHOBOTH	1,153	282	59	812	1,061	277	55	728	1,136	245	56	834
ROCHESTER	2,176	72	1	2,102	2,126	66	0	2,060	2,135	63	2	2,070
ROCKLAND	12,973	2,219	85	10,669	12,543	2,049	96	10,399	12,650	2,135	113	10,401
ROCKPORT	2,613	615	0	1,998	2,557	731	0	1,826	2,389	596	0	1,793
ROWLEY	576	110	38	428	528	131	36	361	554	130	36	387
SALISBURY	986	141	44	801	924	129	40	755	977	157	26	795
SCITUATE	6,792	374	118	6,300	6,541	384	114	6,043	6,689	455	113	6,121
SEEKONK	5,820	362	0	5,458	5,396	357	0	5,039	5,441	324	0	5,116
SHERBORN	721	43	25	653	692	40	25	627	706	40	25	641
SHIRLEY	1,252	24	32	1,196	1,161	26	31	1,103	5,805	1,341	30	4,434
SHREWSBURY	21,790	1,750	150	19,890	21,543	1,869	114	19,560	21,675	1,641	116	19,918
SOUTHBOROUGH	3,155	216	17	2,922	3,072	295	15	2,763	3,157	345	16	2,796
STERLING	691	21	37	633	621	22	34	565	656	22	35	599
STOUGHTON	17,372	2,696	36	14,639	15,968	2,664	34	13,270	15,391	2,726	37	12,628
STOW	386	85	6	294	360	82	4	273	386	81	3	302
SUDBURY	5,617	67	94	5,455	5,410	94	90	5,226	5,538	145	89	5,304
SUTTON	6,342	67	53	6,222	6,244	120	50	6,075	6,191	104	51	6,036
TAUNTON	56,312	1,488	15	54,809	53,678	1,407	12	52,259	52,527	1,303	25	51,199
TEWKSBURY	15,545	1,423	0	14,122	15,178	1,208	0	13,970	15,397	1,155	0	14,242
TOWNSEND	1,374	48	19	1,306	1,296	24	48	1,224	1,357	23	47	1,287
TYNGSBOROUGH	8,652	1,213	47	7,392	8,493	858	49	7,586	8,481	643	51	7,787
UPTON	621	7	49	565	567	6	42	520	609	6	42	561
WAREHAM	14,662	2,044	0	12,618	14,517	2,045	0	12,472	14,497	2,151	0	12,346
WAYLAND	4,143	135	67	3,941	4,024	162	67	3,794	4,116	197	66	3,853
WEST BOYLSTON	4,315	492	1	3,823	4,146	433	8	3,706	4,081	351	4	3,727
WEST BRIDGEWATER	4,231	500	29	3,702	3,999	635	32	3,332	3,803	741	35	3,028
WEST NEWBURY	328	106	27	195	310	128	26	155	324	105	25	195
WESTBOROUGH	5,714	246	117	5,350	5,566	245	111	5,210	5,547	291	115	5,141
WESTFORD	18,305	398	0	17,907	17,855	334	76	17,446	17,907	379	76	17,452
WESTMINSTER	815	39	17	759	779	38	15	726	814	33	21	759
WHITMAN	2,335	104	70	2,160	2,187	96	69	2,022	2,311	95	73	2,144
WORCESTER	254,774	32,162	0	222,612	242,483	29,802	0	212,680	232,469	28,433	0	204,036
WRENTHAM	4,483	327	0	4,155	4,375.904	318.737	0.746	4,056.421	4,421.397	323.385	10.835	4,087.177

Municipality	FY2010				FY2009				FY2008			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
FOURTEEN CITIES AND TOWNS												
ARLINGTON	13,303	113	2,527	10,663	15,568	181	2,483	12,904	15,973	139	2,490	13,344
BELMONT	6,698	120	1,435	5,144	7,519	108	1,409	6,001	7,020	94	1,412	5,514
BOSTON	528,685	71,048	74,729	382,909	582,969	71,679	71,437	439,853	582,313	63,610	67,532	451,172
BROOKLINE	13,271	1,062	4,488	7,720	15,586	971	4,453	10,162	15,530	1,034	4,477	10,019
CAMBRIDGE	30,222	7,893	8,303	14,026	37,326	8,364	8,172	20,790	39,664	8,447	8,064	23,153
CHELSEA	58,406	2,528	2,346	53,532	61,753	2,533	1,983	57,238	60,543	2,162	1,964	56,417
EVERETT	41,470	7,107	2,289	32,074	43,938	6,194	2,238	35,507	38,380	5,228	2,225	30,927
MALDEN	53,077	6,756	3,422	42,900	57,671	6,757	3,361	47,552	55,569	6,283	3,375	45,912
MEDFORD	23,038	7,124	3,413	12,501	26,516	6,890	3,367	16,259	27,690	6,315	3,233	18,142
MILTON	8,323	2,019	1,614	4,691	9,491	1,905	1,566	6,020	9,272	1,929	1,572	5,771
NEWTON	20,051	550	5,114	14,386	22,360	597	5,007	16,756	21,396	592	5,023	15,780
REVERE	43,713	4,535	3,399	35,779	47,376	4,499	2,832	40,045	46,067	3,990	2,767	39,311
SOMERVILLE	44,310	5,657	4,570	34,083	50,476	5,605	4,508	40,364	52,842	5,317	4,528	42,997
WATERTOWN	9,661	254	1,997	7,409	11,235	1,963	1,945	7,327	11,618	1,757	1,951	7,909
FIFTY-ONE CITIES AND TOWNS												
BEDFORD	4,836	14	269	4,553	5,252	27	260	4,965	4,970	12	251	4,707
BEVERLY	13,108	1,114	808	11,186	14,823	1,071	797	12,955	15,102	963	803	13,336
BRAINTREE	14,846	3,412	705	10,730	16,577	3,115	689	12,773	15,221	2,925	678	11,617
BURLINGTON	8,012	117	513	7,383	8,928	86	502	8,340	8,361	67	469	7,825
CANTON	6,026	502	449	5,076	6,777	492	439	5,846	6,608	416	434	5,757
COHASSET	2,247	872	147	1,228	2,408	901	146	1,361	2,389	944	145	1,300
CONCORD	3,838	51	358	3,429	4,371	58	338	3,975	4,268	43	339	3,887
DANVERS	7,475	546	547	6,381	8,496	430	521	7,545	8,467	373	524	7,570
DEDHAM	7,083	2,086	494	4,503	8,183	1,841	476	5,866	8,322	1,738	478	6,105
DOVER	926	156	115	655	1,054	157	114	784	980	153	114	713
FRAMINGHAM	27,083	2,994	730	23,359	30,048	2,325	1,305	26,417	28,006	2,236	1,310	24,460
HAMILTON	762	64	168	531	998	77	167	754	1,034	77	168	789
HINGHAM	6,500	351	458	5,691	7,109	2,301	439	4,369	6,931	2,302	433	4,195
HOLBROOK	6,356	305	218	5,833	6,901	323	216	6,362	6,973	1,251	217	5,505
HULL	5,981	756	227	4,999	6,554	1,027	226	5,301	6,798	1,173	227	5,398
LEXINGTON	9,018	85	621	8,312	9,778	93	609	9,076	9,064	86	609	8,369
LINCOLN	1,761	7	164	1,590	2,068	23	160	1,885	2,011	22	160	1,829
LYNN	137,429	6,379	1,784	129,266	146,471	6,724	1,773	137,973	143,071	5,582	1,788	135,702
LYNNFIELD	5,048	74	233	4,741	5,450	63	231	5,156	4,892	63	232	4,596
MANCHESTER	224	42	108	74	318	42	107	169	342	8	107	227
MARBLEHEAD	6,271	1,232	410	4,629	6,789	1,273	408	5,109	6,479	1,989	409	4,082
MEDFIELD	7,398	260	251	6,887	7,910	206	248	7,456	7,711	170	249	7,292
MELROSE	12,698	2,484	548	9,666	14,567	2,740	537	11,290	13,086	2,251	531	10,304
MIDDLETON	2,164	91	191	1,882	2,352	52	188	2,112	2,288	67	187	2,034
NAHANT	931	160	72	699	1,052	154	72	826	985	32	72	880
NATICK	9,704	1,161	379	8,164	10,962	910	643	9,409	10,888	1,001	643	9,244
NEEDHAM	7,712	490	579	6,643	8,419	532	572	7,316	7,602	486	572	6,544
NORFOLK	4,561	257	176	4,127	4,949	231	208	4,511	4,967	282	211	4,473
NORWOOD	9,510	443	577	8,490	11,012	456	572	9,984	10,839	359	573	9,907
PEABODY	26,668	4,904	1,053	20,711	29,256	5,018	1,043	23,195	29,628	4,607	1,032	23,989
QUINCY	34,785	1,188	1,876	31,722	40,755	961	1,835	37,959	41,137	971	1,817	38,349
RANDOLPH	17,836	3,054	618	14,164	19,274	4,810	611	13,852	19,488	4,131	613	14,744
READING	12,257	106	474	11,677	13,384	132	465	12,787	12,529	116	466	11,946
SALEM	21,342	5,771	848	14,723	23,407	5,285	833	17,288	23,189	5,373	841	16,975
SAUGUS	7,940	1,136	557	6,247	9,184	1,155	546	7,482	9,253	2,581	542	6,130
SHARON	8,350	406	349	7,595	8,948	375	345	8,228	8,917	380	346	8,191
STONEHAM	7,150	660	440	6,050	8,202	1,715	433	6,054	8,495	1,677	433	6,383
SWAMPSCOTT	4,140	698	286	3,155	4,653	627	285	3,741	4,417	313	288	3,817
TOPSFIELD	1,790	55	124	1,610	2,003	45	124	1,834	2,033	59	124	1,850
WAKEFIELD	8,245	774	503	6,967	9,264	643	495	8,126	9,413	601	495	8,317
WALPOLE	9,916	549	473	8,894	10,888	656	467	9,765	10,182	665	465	9,051
WALTHAM	17,392	424	1,235	15,734	20,395	302	1,196	18,897	21,010	255	1,199	19,556
WELLESLEY	7,914	509	552	6,852	8,462	478	544	7,440	6,703	469	543	5,691
WENHAM	401	27	94	280	541	27	93	421	588	27	94	467
WESTON	2,981	33	239	2,709	3,223	33	235	2,956	2,869	32	233	2,603
WESTWOOD	4,334	269	287	3,779	4,644	241	279	4,125	4,257	240	280	3,737
WEYMOUTH	32,190	1,144	1,091	29,955	35,279	5,151	1,080	29,048	34,088	4,638	1,083	28,367
WILMINGTON	12,354	157	444	11,753	13,311	164	434	12,713	10,337	125	432	9,780
WINCHESTER	6,556	25	433	6,098	7,165	31	425	6,709	6,279	29	426	5,823
WINTHROP	9,224	354	413	8,458	10,471	303	347	9,821	10,756	926	344	9,486
WOBURN	12,371	2,992	758	8,620	14,160	3,118	746	10,296	13,935	3,078	748	10,109
OTHER SERVED COMMUNITIES												
ABINGTON	9,763	372	79	9,312	10,525	345	81	10,099	10,316	258	88	9,970
ACTON	6,534	117	109	6,308	7,072	112	108	6,853	6,289	103	108	6,077
AMESBURY	11,573	2,594	39	8,941	12,257	2,636	19	9,602	12,166	2,600	46	9,520
ANDOVER	9,580	3,013	66	6,501	10,548	2,793	80	7,674	9,963	2,779	95	7,088
ASHBURNHAM	814	32	15	767	935	34	18	883	1,009	29	24	956
ASHBY	486	7	15	464	539	5	16	517	574	7	15	552
ASHLAND	6,211	681	69	5,461	6,614	575	99	5,939	6,125	599	99	5,428
ATTLEBORO	35,900	3,534	0	32,367	38,253	3,489	0	34,764	37,112	3,103	35	33,973
AUBURN	7,555	720	0	6,835	8,217	659	1	7,557	7,674	676	15	6,983
AYER	6,122	664	26	5,432	6,248	531	26	5,691	6,245	440	29	5,777
BELLINGHAM	10,299	831	25	9,443	10,966	728	101	10,137	10,717	634	100	9,983
BERKLEY	6,126	186	35	5,904	6,380	211	35	6,134	6,309	199	35	6,075
BILLERICA	24,081	5,420	72	18,589	25,651	4,614	71	20,966	24,345	3,893	67	20,386
BOURNE	7,545	2,273	0	5,271	8,196	2,007	0	6,189	8,003	1,821	0	6,182
BOXBOROUGH	1,822	61	0	1,761	1,895	39	22	1,834	1,745	42	32	1,671
BOXFORD	2,214	140	50	2,024	2,375	104	51	2,221	2,350	90	50	2,210
BRIDGEWATER	3,768	286	143	3,339	4,341	297	144	3,900	4,718	289	144	4,285
BROCKTON	146,499	5,610	0	140,888	154,419	5,141	0	149,278	150,467			

Municipality	FY2010				FY2009				FY2008			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
HANOVER	7,993	453	89	7,451	8,678	389	90	8,199	8,776	397	90	8,289
HANSON	1,245	66	63	1,116	1,500	65	63	1,372	1,647	59	63	1,525
HARVARD	3,523	625	27	2,872	3,937	612	29	3,295	3,928	648	32	3,250
HAVERHILL	46,009	4,696	0	41,313	49,290	4,515	3	44,773	49,197	4,130	46	45,020
HOLDEN	1,917	61	68	1,787	2,201	70	72	2,059	2,399	74	70	2,256
HOLLISTON	8,849	297	61	8,491	9,542	459	88	8,995	9,361	503	88	8,770
HOPKINTON	6,874	483	83	6,308	7,258	372	90	6,796	7,070	343	90	6,637
IPSWICH	5,252	224	80	4,949	5,701	233	80	5,388	5,650	263	80	5,307
KINGSTON	4,940	180	24	4,736	5,259	161	42	5,056	4,933	200	52	4,681
LAKEVILLE	3,213	97	53	3,063	3,517	98	53	3,366	3,527	102	58	3,366
LANCASTER	1,009	86	26	897	1,106	87	28	992	1,195	91	24	1,080
LAWRENCE	153,568	17,776	0	135,793	161,939	17,016	0	144,922	156,663	16,412	0	140,251
LEICESTER	11,741	356	0	11,385	12,330	366	18	11,946	12,088	410	4	11,674
LEOMINSTER	46,328	2,840	0	43,488	48,760	2,601	0	46,158	44,367	2,478	0	41,889
LITTLETON	4,080	1,039	30	3,011	4,190	919	34	3,237	3,570	875	42	2,653
LOWELL	143,802	13,672	0	130,130	153,761	13,109	0	140,651	155,712	12,837	0	142,875
LUNENBURG	6,016	669	35	5,313	6,510	764	37	5,709	6,296	643	39	5,614
MANSFIELD	19,383	1,825	53	17,506	20,378	1,817	69	18,491	18,601	1,652	91	16,858
MARLBOROUGH	17,743	3,045	182	14,516	19,241	2,446	175	16,620	17,404	2,120	182	15,102
MARSHFIELD	16,763	495	148	16,120	17,675	441	157	17,077	17,361	553	158	16,650
MAYNARD	4,915	477	0	4,439	5,404	392	65	4,948	5,125	270	65	4,790
MEDWAY	10,411	562	5	9,844	10,949	410	64	10,474	10,108	373	66	9,670
MERRIMAC	809	116	5	688	889	132	0	757	979	121	3	855
METHUEN	42,159	1,366	0	40,793	44,583	1,232	0	43,351	43,944	1,240	0	42,705
MIDDLEBOROUGH	19,624	484	4	19,136	20,653	441	35	20,177	20,297	321	60	19,916
MILLBURY	8,625	318	52	8,255	9,252	306	52	8,895	9,167	424	55	8,688
MILLIS	4,709	367	44	4,298	5,082	381	45	4,656	4,368	929	42	3,397
NEWBURY	723	181	44	498	809	121	44	644	844	114	44	686
NEWBURYPORT	7,243	2,318	21	4,904	8,272	2,432	0	5,840	8,530	2,154	7	6,369
NORTH ANDOVER	7,747	2,268	68	5,410	8,561	2,231	76	6,254	8,248	2,090	93	6,065
NORTH ATTLEBOROUGH	23,578	2,951	6	20,621	24,942	2,993	9	21,939	24,359	2,882	59	21,419
NORTH READING	7,832	106	89	7,637	8,500	78	88	8,333	7,835	70	89	7,676
NORTHBOROUGH	4,603	368	74	4,161	4,947	255	72	4,620	4,836	266	74	4,496
NORTHBURIDGE	16,426	758	92	15,577	17,209	646	91	16,472	17,522	583	90	16,849
NORTON	15,457	2,431	28	12,998	16,451	2,415	39	13,997	15,952	2,105	72	13,774
NORWELL	3,750	944	65	2,740	4,145	964	66	3,115	3,958	1,051	66	2,841
PAXTON	588	30	29	529	667	37	29	601	714	52	29	633
PEMBROKE	13,857	223	118	13,516	14,546	287	117	14,142	13,803	291	112	13,400
PLYMOUTH	27,011	4,488	74	22,449	28,555	4,260	152	24,143	26,902	3,811	244	22,847
PLYMPTON	818	53	18	748	896	53	18	825	874	52	18	804
PRINCETON	404	8	18	377	505	12	18	475	531	10	20	501
RAYNHAM	1,434	258	45	1,131	1,951	259	46	1,646	2,076	251	67	1,759
REHOBOTH	1,164	235	57	872	1,363	242	57	1,064	1,426	244	58	1,124
ROCHESTER	2,051	62	6	1,982	2,191	61	14	2,116	2,125	58	14	2,053
ROCKLAND	12,936	2,127	113	10,695	13,908	2,124	113	11,670	13,574	1,932	113	11,528
ROCKPORT	2,424	648	0	1,776	2,663	616	0	2,047	2,572	628	0	1,944
ROWLEY	606	118	37	450	750	118	37	596	812	94	37	681
SALISBURY	920	155	27	738	1,127	137	31	959	1,143	159	43	940
SCITUATE	7,088	410	114	6,564	7,796	386	115	7,295	7,332	373	115	6,844
SEEKONK	5,760	328	2	5,430	6,207	297	28	5,881	5,948	286	17	5,645
SHERBORN	748	39	26	682	842	38	27	777	787	37	27	723
SHIRLEY	6,213	1,406	29	4,778	6,635	1,255	33	5,347	6,546	1,077	34	5,435
SHREWSBURY	21,954	1,677	139	20,137	23,023	1,361	142	21,521	21,694	1,009	142	20,543
SOUTHBOROUGH	3,334	242	57	3,035	3,575	233	57	3,285	3,485	208	57	3,220
STERLING	673	25	38	610	876	30	38	808	962	29	38	895
STOUGHTON	15,802	2,824	50	12,929	16,859	2,588	65	14,206	15,940	2,473	72	13,396
STOW	401	84	1	316	507	44	39	423	556	42	39	474
SUDBURY	5,681	112	104	5,465	6,267	190	108	5,970	6,037	57	108	5,872
SUTTON	6,643	159	52	6,432	6,962	160	49	6,754	6,841	186	41	6,614
TAUNTON	53,293	1,324	36	51,932	56,666	1,350	44	55,272	55,917	1,319	92	54,505
TEWKSBURY	16,053	887	0	15,166	17,091	743	0	16,348	17,031	569	0	16,462
TOWNSEND	1,517	21	48	1,448	1,751	21	47	1,683	1,860	20	48	1,792
TYNGSBOROUGH	8,868	457	51	8,360	9,027	243	49	8,734	8,750	209	49	8,493
UPTON	628	12	42	574	727	17	41	669	777	17	41	719
WAREHAM	14,638	2,336	0	12,302	15,376	2,092	0	13,284	14,965	1,701	45	13,218
WAYLAND	4,297	123	77	4,097	4,650	108	82	4,460	4,453	93	83	4,277
WEST BOYLSTON	4,346	277	27	4,041	4,611	263	8	4,340	4,568	249	10	4,309
WEST BRIDGEWATER	3,769	740	36	2,993	4,063	761	34	3,268	3,791	626	33	3,132
WEST NEWBURY	347	104	25	218	438	66	26	345	464	69	26	370
WESTBOROUGH	5,865	321	111	5,434	6,268	190	110	5,968	5,678	201	98	5,379
WESTFORD	17,521	386	77	17,058	18,441	292	76	18,073	17,050	258	105	16,687
WESTMINSTER	779	42	19	719	980	43	22	915	1,045	42	24	979
WHITMAN	2,410	98	74	2,237	2,625	91	78	2,456	2,931	80	82	2,769
WORCESTER	223,777	26,780	0	196,997	239,970	25,632	0	214,338	237,298	23,628	0	213,670
WRENTHAM	4716.84	323.561	12.658	4380.621	5086.448	322.713	64.601	4699.134	5099.996	347.545	70.461	4681.99

Municipality	FY2007				FY2006				FY2005			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
<u>FOURTEEN CITIES AND TOWNS</u>												
ARLINGTON	15,601	189	2,417	12,995	14,791	195	2,348	12,248	15,390	225	2,458	12,707
BELMONT	6,595	103	1,373	5,119	6,708	90	1,337	5,280	7,373	120	1,351	5,902
BOSTON	566,857	58,835	66,211	441,811	538,999	55,433	65,185	418,381	531,602	51,801	65,075	414,726
BROOKLINE	14,578	872	4,358	9,349	14,585	1,012	4,232	9,341	17,094	817	4,446	11,831
CAMBRIDGE	39,250	8,065	7,815	23,371	38,239	8,227	7,590	22,421	40,753	5,628	7,418	27,707
CHELSEA	55,502	1,733	1,933	51,836	51,908	1,362	1,911	48,635	59,462	1,441	1,856	56,166
EVERETT	33,324	4,916	2,163	26,244	30,133	4,339	2,104	23,690	31,140	4,034	2,110	24,996
MALDEN	52,320	5,741	3,219	43,360	48,161	5,131	3,128	39,903	52,007	5,070	3,170	43,766
MEDFORD	27,273	6,209	3,152	17,912	25,352	5,373	3,067	16,912	28,350	4,755	3,207	20,388
MILTON	8,716	1,889	1,504	5,323	7,464	1,568	1,448	4,448	7,284	1,378	1,454	4,452
NEWTON	19,423	604	4,874	13,945	19,244	429	4,725	14,089	20,688	290	4,743	15,655
REVERE	42,073	3,550	2,685	35,838	37,240	3,055	2,634	31,551	36,152	2,391	2,740	31,021
SOMERVILLE	52,185	4,678	4,398	43,108	49,703	4,315	4,275	41,112	51,460	4,557	4,397	42,505
WATERTOWN	11,193	1,750	1,896	7,546	10,363	1,460	1,844	7,059	10,966	1,196	1,895	7,875
<u>FIFTY-ONE CITIES AND TOWNS</u>												
BEDFORD	4,486	19	243	4,225	4,147	31	235	3,881	4,495	35	258	4,202
BEVERLY	14,746	1,018	779	12,950	13,598	890	752	11,956	14,795	844	786	13,165
BRAINTREE	13,974	2,901	657	10,416	12,222	2,449	630	9,143	11,700	2,060	707	8,933
BURLINGTON	7,720	83	450	7,187	7,113	70	427	6,616	6,913	43	488	6,382
CANTON	6,132	377	417	5,337	5,359	314	400	4,645	5,447	320	424	4,703
COHASSET	2,227	954	141	1,132	2,061	764	136	1,160	2,421	636	141	1,644
CONCORD	4,003	55	328	3,620	4,028	52	316	3,660	3,390	28	326	3,035
DANVERS	8,000	300	497	7,202	7,287	242	478	6,568	7,694	244	505	6,945
DEDHAM	8,098	1,801	450	5,847	7,363	1,466	434	5,463	6,956	1,127	496	5,333
DOVER	839	149	110	580	714	145	106	462	1,387	135	108	1,144
FRAMINGHAM	24,347	2,364	1,272	20,711	21,434	2,405	1,237	17,791	23,956	2,737	1,303	19,916
HAMILTON	1,001	79	163	759	833	19	157	656	725	17	161	547
HINGHAM	6,373	2,213	411	3,749	5,682	1,832	380	3,471	7,686	1,521	406	5,759
HOLBROOK	6,541	1,164	210	5,166	5,918	981	203	4,735	5,664	781	225	4,658
HULL	6,727	1,249	219	5,259	6,455	1,319	211	4,925	6,315	1,576	223	4,516
LEXINGTON	8,117	84	590	7,443	8,416	61	572	7,783	8,059	51	623	7,385
LINCOLN	1,885	52	155	1,678	2,017	8	151	1,859	2,433	7	162	2,264
LYNN	135,188	4,665	1,735	128,789	127,252	2,876	1,673	122,703	130,280	2,131	1,788	126,341
LYNNFIELD	3,716	61	226	3,430	3,275	112	218	2,945	3,039	94	232	2,713
MANCHESTER	333	12	104	217	296	8	100	188	266	8	105	153
MARBLEHEAD	5,966	1,815	395	3,756	6,053	1,987	382	3,684	4,848	1,934	419	2,495
MEDFIELD	7,080	164	240	6,676	6,474	147	232	6,095	6,405	146	237	6,022
MELROSE	12,723	1,963	514	10,246	12,285	1,579	500	10,206	12,379	1,450	578	10,352
MIDDLETON	2,108	65	177	1,866	1,677	61	168	1,449	1,672	55	156	1,461
NAHANT	920	27	70	822	845	24	68	754	796	38	85	673
NATICK	10,473	1,017	623	8,834	9,654	721	604	8,328	10,391	462	651	9,277
NEEDHAM	6,802	483	563	5,757	6,631	437	544	5,649	6,631	384	581	5,665
NORFOLK	4,836	261	203	4,372	4,517	235	195	4,087	4,908	307	202	4,400
NORWOOD	10,127	341	553	9,232	9,253	346	537	8,370	8,738	350	596	7,792
PEABODY	28,890	4,368	977	23,546	27,377	3,531	929	22,916	24,503	2,975	963	20,565
QUINCY	39,647	886	1,743	37,018	36,649	798	1,664	34,187	36,244	693	2,068	33,482
RANDOLPH	18,718	3,505	596	14,617	16,710	2,535	578	13,597	16,863	1,944	651	14,268
READING	11,533	103	453	10,978	10,511	50	441	10,020	11,701	42	477	11,183
SALEM	22,152	5,102	813	16,237	19,961	4,398	786	14,777	24,117	3,037	843	20,237
SAUGUS	8,927	2,323	519	6,085	8,119	1,752	495	5,872	8,422	1,425	570	6,427
SHARON	8,707	372	336	7,998	8,441	388	326	7,726	9,226	462	351	8,413
STONEHAM	8,152	1,659	422	6,070	7,404	1,283	411	5,711	8,884	1,094	439	7,351
SWAMPSCOTT	4,129	262	280	3,587	3,849	176	270	3,403	3,567	124	312	3,131
TOPSFIELD	1,890	33	121	1,736	1,467	32	117	1,318	1,863	28	122	1,713
WAKEFIELD	9,026	514	478	8,035	8,582	506	463	7,613	9,232	493	508	8,231
WALPOLE	9,097	602	437	8,059	7,907	577	421	6,910	7,757	648	459	6,650
WALTHAM	20,185	227	1,148	18,809	17,929	172	1,100	16,657	16,931	184	1,180	15,566
WELLESLEY	5,850	476	514	4,860	5,775	431	496	4,847	5,690	520	516	4,654
WENHAM	573	28	86	459	517	27	83	407	474	25	84	365
WESTON	2,411	17	225	2,170	2,802	15	218	2,570	3,808	35	219	3,554
WESTWOOD	3,717	239	272	3,207	3,425	223	264	2,939	3,380	234	280	2,865
WEYMOUTH	32,961	4,333	1,051	27,578	30,335	3,697	1,019	25,619	28,974	2,962	1,137	24,875
WILMINGTON	8,235	141	418	7,676	6,531	96	404	6,031	8,300	81	407	7,811
WINCHESTER	5,659	36	410	5,213	4,995	29	396	4,571	5,717	42	424	5,251
WINTHROP	10,491	903	339	9,250	9,881	739	336	8,806	10,490	704	378	9,408
WOBURN	13,161	2,960	726	9,475	12,124	2,355	706	9,063	11,528	1,869	763	8,897
<u>OTHER SERVED COMMUNITIES</u>												
ABINGTON	9,994	247	89	9,658	9,209	177	86	8,946	8,830	137	66	8,626
ACTON	5,175	99	105	4,972	4,417	129	101	4,187	5,143	115	76	4,952
AMESBURY	11,814	2,615	40	9,159	11,352	2,389	25	8,937	12,624	2,292	7	10,325
ANDOVER	9,122	2,405	96	6,621	7,905	1,906	80	5,919	9,236	1,566	44	7,627
ASHBURNHAM	977	28	24	925	781	25	23	734	669	24	15	630
ASHBY	560	6	13	542	431	6	12	411	382	7	9	366
ASHLAND	5,537	367	95	5,075	4,527	364	91	4,071	4,885	143	139	4,602
ATTLEBORO	36,127	2,722	62	33,343	33,705	2,326	58	31,321	36,762	2,050	8	34,704
AUBURN	6,704	637	16	6,052	5,899	654	0	5,246	5,555	747	6	4,802
AYER	6,008	403	29	5,577	5,825	426	30	5,369	5,725	413	21	5,290
BELLINGHAM	10,142	575	97	9,471	9,643	497	93	9,053	11,766	538	73	11,154
BERKLEY	6,115	186	36	5,893	5,624	184	34	5,406	6,909	207	26	6,676
BILLERICA	22,386	3,144	63	19,178	20,353	2,536	52	17,765	19,662	2,219	8	17,435
BOURNE	7,646	1,715	0	5,931	6,799	1,507	0	5,291	8,021	1,326	0	6,695
BOXBOROUGH	1,714	27	31	1,655	1,634	64	30	1,540	1,918	46	23	1,849
BOXFORD	2,277	90	45	2,141	2,123	26	49	2,049	2,374	15	38	2,320
BRIDGEWATER	4,628	298	142	4,188	3,886	297	133	3,456	4,299	279	105	3,915
BROCKTON	145,026	4,717	0	140,309	134,371	4,373	0	129,999	131,806	3,573	0	128,233
CARLISLE	1,244	27	30	1,186	1,126	4	29	1,093	1,734	25	23	1,687
CARVER	11,852	272	47	11,533	11,023	240	46	10,738	11,755	197	32	11,526
CHELMSFORD	14,493	1,334	19	13,141	13,126	1,084	12	12,030	12,809	1,138	0	11,671
DRACUT	20,079	530	151	19,397	18,619	496	145	17,978	19,787	466	111	19,210
DUXBURY	4,450	183	90	4,177	3,945	179	87	3,680	3,789	171	129	3,488
EAST BRIDGEWATER	12,013	122	60	11,831	11,048	116	59	10,874	11,215	105	47	11,063
EASTON	11,236	543	141	10,551	10,342	542	136	9,665	11,036	555	106	10,374
ESSEX	341	34	19	289	314	29	18	267	281	7	14	260
FITCHBURG	51,696	3,907	0	47,789	47,856	3,788	0	44,069	49,599	3,653	0	45,946
FOXBOROUGH	9,927	1,640	100	8,186	8,524	1,570	97	6,858	7,907	1,381	77	6,4

Municipality	FY2007				FY2006				FY2005			
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HANOVER	8,284	353	85	7,846	7,434	302	81	7,052	6,789	216	121	6,452
HANSON	1,592	58	61	1,473	1,386	61	58	1,266	1,314	58	46	1,209
HARVARD	3,725	683	31	3,011	3,401	567	30	2,804	3,286	443	22	2,821
HAVERRHILL	47,027	3,497	9	43,520	44,061	2,902	5	41,153	46,321	2,615	0	43,705
HOLDEN	2,321	69	63	2,189	1,897	72	28	1,797	1,981	101	10	1,870
HOLLISTON	9,114	403	85	8,625	8,480	252	83	8,145	10,069	147	66	9,857
HOPKINTON	6,894	321	86	6,496	6,057	266	83	5,708	8,813	170	65	8,577
IPSWICH	5,217	264	78	4,875	4,816	228	75	4,513	6,442	210	58	6,175
KINGSTON	4,798	163	56	4,580	4,535	152	57	4,326	5,842	140	38	5,664
LAKEVILLE	3,423	98	57	3,268	3,061	101	54	2,906	3,361	90	41	3,230
LANCASTER	1,167	36	22	1,109	1,017	35	20	962	894	32	17	845
LAWRENCE	150,829	15,372	15	135,442	140,219	13,480	44	126,695	142,251	12,085	0	130,166
LEICESTER	11,847	333	1	11,513	10,595	281	5	10,309	11,216	307	0	10,909
LEOMINSTER	42,291	2,238	0	40,053	39,615	2,299	0	37,316	39,005	2,321	0	36,684
LITTLETON	3,139	871	40	2,228	2,615	716	38	1,860	3,929	768	28	3,134
LOWELL	150,572	12,624	0	137,948	140,719	9,738	0	130,981	153,068	8,476	0	144,592
LUNENBURG	5,913	784	38	5,092	5,371	655	36	4,679	5,233	751	24	4,458
MANSFIELD	17,265	1,788	100	15,377	14,317	1,701	104	12,511	15,147	1,564	68	13,516
MARLBOROUGH	15,420	1,747	182	13,491	13,096	1,056	180	11,860	13,572	397	133	13,042
MARSHFIELD	16,838	591	152	16,095	14,908	641	146	14,121	15,726	547	219	14,960
MAYNARD	4,633	147	63	4,423	4,321	129	61	4,131	5,550	112	49	5,389
MEDWAY	9,326	383	79	8,864	7,804	356	76	7,371	8,065	426	60	7,579
MERRIMAC	953	107	0	846	804	79	0	725	1,151	76	0	1,075
METHUEN	40,812	1,195	0	39,617	36,688	943	0	35,745	39,377	897	0	38,481
MIDDLEBOROUGH	19,930	373	95	19,462	18,132	325	94	17,713	19,117	202	65	18,851
MILLBURY	8,894	399	54	8,440	7,902	321	36	7,546	7,555	319	21	7,216
MILLIS	3,656	913	42	2,701	3,322	695	42	2,585	3,809	668	68	3,074
NEWBURY	805	137	42	626	605	131	41	434	1,388	123	32	1,232
NEWBURYPORT	8,366	2,018	0	6,348	7,850	1,965	0	5,885	7,702	2,061	0	5,641
NORTH ANDOVER	7,676	2,022	106	5,548	6,810	1,501	100	5,208	8,354	1,282	67	7,004
NORTH ATTLEBOROUGH	23,412	2,843	88	20,482	21,926	2,565	85	19,276	22,337	2,330	49	19,958
NORTH READING	7,392	79	86	7,227	6,065	28	83	5,954	5,891	14	127	5,750
NORTHBOROUGH	4,473	219	63	4,191	3,975	179	61	3,735	4,361	133	45	4,184
NORTHBRIDGE	16,753	761	85	15,908	15,854	529	81	15,244	16,683	574	63	16,045
NORTON	15,632	1,866	73	13,693	14,711	1,512	79	13,120	15,289	1,304	50	13,935
NORWELL	3,659	1,029	64	2,566	3,248	828	61	2,360	4,119	685	93	3,341
PAXTON	689	47	28	614	670	33	27	611	574	31	21	521
PEMBROKE	12,306	235	105	11,967	10,305	194	99	10,012	9,882	200	149	9,533
PLYMOUTH	25,710	3,522	258	21,930	22,408	2,785	251	19,372	24,548	2,565	179	21,804
PLYMPTON	835	53	17	766	757	38	16	703	704	36	13	655
PRINCETON	502	10	20	473	500	10	19	471	808	9	16	783
RAYNHAM	2,051	227	74	1,750	1,909	208	70	1,631	1,785	204	53	1,527
REHOBOTH	1,454	270	57	1,128	1,237	285	54	898	1,005	258	39	708
ROCHESTER	1,980	57	32	1,891	1,812	57	30	1,725	2,199	52	23	2,123
ROCKLAND	13,116	1,662	110	11,344	12,166	1,270	106	10,790	11,730	983	157	10,590
ROCKPORT	2,368	704	0	1,664	2,083	633	0	1,450	3,056	512	0	2,544
ROWLEY	784	97	35	653	655	121	33	500	930	72	26	832
SALISBURY	1,081	160	43	877	818	157	8	653	651	184	0	467
SCITUATE	6,734	369	112	6,253	6,391	307	107	5,976	5,715	361	161	5,193
SEEKONK	5,289	285	37	4,967	4,433	256	51	4,127	5,200	250	31	4,919
SHERBORN	703	37	26	640	631	42	25	564	831	35	40	756
SHIRLEY	6,458	1,091	32	5,335	6,038	881	29	5,128	5,778	768	15	4,994
SHREWSBURY	19,935	751	132	19,052	17,285	728	113	16,445	18,622	603	91	17,928
SOUTHBOROUGH	3,370	170	55	3,146	3,152	121	53	2,977	3,962	65	40	3,857
STERLING	920	31	35	855	755	30	32	693	651	30	23	599
STOUGHTON	14,305	2,319	72	11,913	12,652	1,871	73	10,708	12,243	1,524	43	10,675
STOW	544	42	38	465	454	39	36	379	395	36	29	331
SUDBURY	5,625	88	105	5,432	5,655	131	102	5,422	8,081	25	150	7,907
SUTTON	6,563	229	40	6,295	6,019	149	28	5,842	6,933	171	26	6,736
TAUNTON	54,018	1,159	109	52,750	51,051	1,070	108	49,873	51,540	904	39	50,596
TEWKSBURY	16,521	446	0	16,075	15,468	516	0	14,952	15,760	432	0	15,328
TOWNSEND	1,789	21	46	1,723	1,410	18	44	1,348	1,197	17	33	1,146
TYNGSBOROUGH	8,505	130	60	8,314	7,899	143	57	7,699	8,125	128	43	7,954
UPTON	732	16	38	677	660	15	36	609	566	15	28	523
WAREHAM	14,526	1,426	64	13,036	13,626	1,131	68	12,426	14,405	942	35	13,427
WAYLAND	4,111	136	80	3,895	4,202	59	78	4,066	4,252	32	120	4,100
WEST BOYLSTON	4,401	167	11	4,223	4,033	116	13	3,903	4,464	104	9	4,352
WEST BRIDGEWATER	3,436	588	33	2,814	2,966	527	32	2,407	2,684	445	25	2,215
WEST NEWBURY	455	95	25	334	351	37	25	289	312	40	20	252
WESTBOROUGH	4,916	169	105	4,641	4,211	140	103	3,969	4,517	127	79	4,310
WESTFORD	15,950	211	118	15,622	13,954	218	112	13,625	16,407	207	86	16,115
WESTMINSTER	1,004	40	22	941	857	39	20	797	724	39	12	674
WHITMAN	2,869	75	80	2,715	2,463	72	76	2,314	2,194	71	59	2,063
WORCESTER	228,562	20,244	0	208,318	213,528	18,402	0	195,126	219,416	16,235	0	203,181
WRENTHAM	4964.946	306.46	67.98	4590.506	4,878	320	65	4,494	5,135	327	51	4,756

Municipality	FY2004				FY2003				FY2002			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
FOURTEEN CITIES AND TOWNS												
ARLINGTON	15,275	205	2,581	12,489	18,119	27	2,687	15,405	18,617	28	2,824	15,765
BELMONT	7,289	86	1,370	5,833	8,263	31	1,379	6,854	8,346	30	1,394	6,922
BOSTON	513,213	45,062	64,591	403,560	558,968	1,580	63,926	493,462	569,975	1,549	63,056	505,369
BROOKLINE	17,090	788	4,665	11,636	19,832	573	4,869	14,390	19,727	557	5,055	14,115
CAMBRIDGE	38,644	4,643	7,266	26,735	43,222	133	7,121	35,968	43,956	128	6,909	36,920
CHELSEA	58,253	937	1,775	55,541	61,618	254	1,682	59,682	62,144	251	1,515	60,378
EVERETT	27,530	3,265	2,129	22,137	29,471	1,046	2,130	26,296	29,875	951	2,111	26,813
MALDEN	48,513	4,455	3,223	40,834	50,156	47	3,259	46,849	48,818	44	3,278	45,496
MEDFORD	27,823	4,090	3,369	20,363	32,681	1,352	3,494	27,835	33,435	1,194	3,645	28,597
MILTON	7,257	1,233	1,462	4,562	8,660	1,095	1,465	6,100	8,597	941	1,475	6,180
NEWTON	20,296	189	4,819	15,288	23,588	65	4,885	18,638	23,671	61	4,949	18,662
REVERE	36,013	1,878	2,831	31,304	37,490	1,256	2,924	33,310	38,068	1,008	2,976	34,084
SOMERVILLE	51,370	5,051	4,535	41,784	61,290	77	4,636	56,577	61,818	69	4,732	57,014
WATERTOWN	10,979	1,126	1,967	7,886	12,934	928	2,029	9,978	13,317	765	2,098	10,454
FIFTY-ONE CITIES AND TOWNS												
BEDFORD	4,338	38	281	4,019	5,172	8	303	4,861	5,232	8	333	4,890
BEVERLY	14,727	778	821	13,129	17,181	83	860	16,238	16,814	75	903	15,836
BRAINTREE	11,564	1,731	784	9,049	14,010	1,549	861	11,601	14,116	1,314	947	11,855
BURLINGTON	6,883	51	551	6,282	8,362	13	613	7,736	8,349	14	682	7,653
CANTON	5,401	293	446	4,663	6,522	225	475	5,823	6,637	197	508	5,933
COHASSET	2,394	647	146	1,601	2,831	479	151	2,201	2,858	436	157	2,265
CONCORD	3,272	58	337	2,877	4,094	11	347	3,736	4,283	11	363	3,909
DANVERS	7,669	206	536	6,927	9,183	62	569	8,553	9,152	58	607	8,487
DEDHAM	6,949	972	560	5,417	8,428	922	622	6,884	8,602	788	688	7,125
DOVER	1,375	132	110	1,133	728	130	113	486	735	112	117	506
FRAMINGHAM	22,769	2,150	1,368	19,251	27,127	45	1,428	25,654	27,795	44	1,492	26,260
HAMILTON	693	35	165	493	790	4	170	616	830	4	173	653
HINGHAM	7,465	1,213	432	5,819	8,691	996	463	7,231	8,740	821	500	7,419
HOLBROOK	5,610	746	248	4,616	6,300	636	271	5,392	6,335	442	298	5,595
HULL	6,157	1,612	233	4,312	7,551	54	247	7,251	7,696	52	260	7,384
LEXINGTON	7,895	46	675	7,173	9,626	21	729	8,876	10,467	25	786	9,656
LINCOLN	2,302	7	172	2,122	2,722	5	184	2,533	2,844	5	196	2,643
LYNN	126,771	1,430	1,909	123,431	134,042	173	2,033	131,836	131,849	158	2,140	129,550
LYNNFIELD	2,988	588	246	2,154	3,697	502	261	2,934	3,761	422	278	3,062
MANCHESTER	266	8	111	147	303	4	118	182	334	4	126	204
MARBLEHEAD	4,066	1,336	457	2,273	4,703	40	495	4,168	4,689	17	536	4,136
MEDFIELD	6,023	146	241	5,636	5,800	142	247	5,411	5,748	124	253	5,371
MELROSE	11,968	1,085	658	10,226	14,296	21	734	13,542	14,474	19	815	13,641
MIDDLETON	1,650	79	137	1,433	1,989	43	134	1,812	1,960	5	126	1,829
NAHANT	794	39	103	652	981	7	121	853	997	6	140	851
NATICK	10,086	141	700	9,245	11,997	65	750	11,182	12,199	59	803	11,336
NEEDHAM	7,038	390	618	6,029	8,433	387	658	7,388	8,481	356	698	7,427
NORFOLK	4,802	238	208	4,355	4,861	88	214	4,559	4,881	76	224	4,581
NORWOOD	8,717	440	654	7,623	10,567	237	714	9,615	10,830	216	780	9,833
PEABODY	23,681	2,451	989	20,242	26,039	1,712	1,034	23,294	25,183	1,322	1,092	22,769
QUINCY	36,088	672	2,470	32,947	43,288	559	2,884	39,845	43,923	517	3,304	40,102
RANDOLPH	16,697	1,572	726	14,400	18,843	1,031	799	17,013	19,017	810	877	17,330
READING	11,636	55	515	11,066	12,464	13	551	11,901	11,999	12	590	11,397
SALEM	23,257	2,032	884	20,341	25,129	1,179	949	23,001	25,235	995	1,013	23,227
SAUGUS	8,347	1,209	646	6,491	9,161	919	726	7,515	9,357	791	814	7,752
SHARON	8,774	337	376	8,062	9,409	185	401	8,823	8,699	161	428	8,110
STONEHAM	8,820	832	468	7,521	9,755	453	494	8,807	9,522	363	525	8,634
SWAMPSCOTT	3,538	151	356	3,031	4,254	24	400	3,830	4,332	21	444	3,867
TOPSFIELD	1,836	42	127	1,667	2,146	3	133	2,010	1,625	3	140	1,481
WAKEFIELD	9,073	416	555	8,101	10,693	22	602	10,070	10,922	22	653	10,247
WALPOLE	7,593	528	484	6,581	9,267	216	513	8,538	9,246	191	547	8,508
WALTHAM	16,907	174	1,267	15,465	20,552	56	1,348	19,148	21,146	53	1,438	19,655
WELLESLEY	6,218	473	537	5,208	7,410	413	557	6,440	7,553	399	582	6,573
WENHAM	469	24	86	360	546	23	87	436	565	2	90	473
WESTON	3,686	16	219	3,450	4,339	9	222	4,107	4,420	10	224	4,187
WESTWOOD	3,435	218	297	2,920	4,262	211	314	3,737	4,285	189	330	3,766
WEYMOUTH	28,724	2,491	1,251	24,982	31,148	1,966	1,372	27,810	31,433	1,662	1,506	28,265
WILMINGTON	8,256	82	411	7,763	9,696	46	417	9,233	9,818	41	425	9,352
WINCHESTER	5,688	60	454	5,174	6,771	29	487	6,255	6,854	29	523	6,302
WINTHROP	10,209	535	419	9,255	11,394	475	457	10,462	11,595	393	495	10,707
WOBURN	11,435	1,453	812	9,170	13,873	1,136	871	11,866	14,275	895	937	12,444
OTHER SERVED COMMUNITIES												
ABINGTON	8,060	79	47	7,934	8,830	62	30	8,738	8,903	59	15	8,828
ACTON	5,095	105	51	4,939	4,432	70	28	4,334	4,335	65	5	4,266
AMESBURY	12,585	2,262	0	10,323	13,771	559	0	13,213	13,844	433	0	13,411
ANDOVER	9,199	1,400	0	7,799	11,110	1,306	0	9,805	11,331	1,081	0	10,250
ASHBURNHAM	653	24	6	623	760	22	1	738	791	20	0	770
ASHBY	373	8	10	355	438	1	5	431	461	2	3	456
ASHLAND	4,812	123	186	4,503	5,394	31	236	5,127	5,319	28	285	5,006
ATTLEBORO	35,721	1,766	0	33,955	35,472	587	0	34,885	33,920	572	0	33,348
AUBURN	5,462	623	0	4,839	6,696	149	0	6,547	6,719	143	0	6,575
AYER	5,735	445	12	5,278	5,441	33	5	5,403	5,471	30	0	5,441
BELLINGHAM	11,464	481	54	10,929	13,361	148	36	13,177	12,909	130	20	12,760
BERKLEY	6,720	174	17	6,529	6,793	85	10	6,697	6,274	83	4	6,186
BILLERICA	19,447	1,587	0	17,860	23,199	1,038	0	22,161	23,542	958	0	22,584
BOURNE	7,845	1,211	0	6,634	7,641	1,033	0	6,608	7,784	974	0	6,810
BOXBOROUGH	1,910	44	17	1,849	2,109	33	11	2,065	2,107	29	5	2,072
BOXFORD	2,339	15	28	2,296	2,870	3	19	2,849	2,858	3	11	2,843
BRIDGEWATER	4,267	270	73	3,924	4,858	258	42	4,559	5,009	209	11	4,789
BROCKTON	131,415	3,271	0	128,144	142,731	1,956	0	140,775	143,361	1,907	0	141,454
CARLISLE	1,649	4	17	1,628	1,899	3	11	1,885	1,978	3	6	1,968
CARVER	11,322	225	18									

Municipality	FY2004				FY2003				FY2002			
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HANOVER	6,541	108	161	6,272	6,958	78	203	6,676	7,040	75	246	6,719
HANSON	1,306	54	34	1,219	1,446	47	22	1,377	1,477	44	12	1,421
HARVARD	3,242	360	9	2,873	4,495	182	5	4,308	4,506	148	15	4,344
HAVERHILL	45,798	1,549	0	44,249	50,042	421	0	49,621	50,389	418	0	49,972
HOLDEN	2,060	98	0	1,963	2,354	92	0	2,262	2,428	90	0	2,337
HOLLISTON	9,964	100	49	9,816	11,125	52	32	11,040	11,170	47	17	11,106
HOPKINTON	8,287	172	47	8,068	8,474	51	31	8,391	8,382	7	14	8,361
IPSWICH	6,225	283	42	5,900	6,876	97	27	6,752	6,925	86	12	6,827
KINGSTON	5,777	114	27	5,636	5,894	84	13	5,797	5,792	80	5	5,707
LAKEVILLE	2,964	118	27	2,819	3,302	74	16	3,212	3,323	70	5	3,248
LANCASTER	861	33	15	813	1,030	21	9	1,000	1,096	19	0	1,078
LAWRENCE	138,303	11,086	0	127,217	141,930	1,717	0	140,213	137,168	1,383	0	135,785
LEICESTER	11,002	198	0	10,804	11,957	69	0	11,888	12,010	68	0	11,942
LEOMINSTER	37,318	2,357	0	34,961	37,572	545	0	37,027	37,627	530	0	37,097
LITTLETON	3,728	522	14	3,192	2,896	43	6	2,848	2,848	39	0	2,808
LOWELL	146,530	6,680	0	139,849	156,088	828	0	155,261	156,853	804	0	156,049
LUNENBURG	5,069	682	13	4,374	4,957	61	3	4,893	5,009	57	0	4,952
MANSFIELD	14,410	1,345	49	13,015	15,163	356	32	14,775	14,288	347	13	13,928
MARLBOROUGH	13,512	450	82	12,980	15,506	88	44	15,373	15,745	84	0	15,661
MARSHFIELD	15,546	408	291	14,847	16,256	137	364	15,755	16,300	130	439	15,730
MAYNARD	5,451	64	37	5,350	5,066	13	25	5,029	5,138	13	13	5,113
MEDWAY	8,050	365	44	7,641	8,118	102	29	7,986	7,983	89	15	7,879
MERRIMAC	1,114	56	0	1,058	1,234	29	0	1,205	1,250	29	0	1,221
METHUEN	36,367	905	0	35,463	36,924	332	0	36,592	36,867	258	0	36,609
MIDDLEBOROUGH	19,074	287	42	18,744	18,472	145	24	18,303	18,599	137	5	18,457
MILLIS	7,316	338	5	6,973	7,427	94	0	7,333	7,426	90	0	7,336
MILLIS	3,759	594	99	3,065	4,223	320	139	3,765	4,265	294	170	3,801
NEWBURY	1,349	111	24	1,214	1,442	101	16	1,326	1,488	88	8	1,392
NEWBURYPORT	7,483	1,666	0	5,817	7,093	124	0	6,968	7,258	118	0	7,140
NORTH ANDOVER	8,203	1,013	34	7,156	9,773	741	4	9,029	9,658	552	0	9,106
NORTH ATTLEBOROUGH	21,818	1,910	17	19,891	21,657	961	0	20,696	20,473	885	0	19,588
NORTH READING	5,727	30	171	5,526	6,095	9	216	5,869	6,121	9	261	5,851
NORTHBOROUGH	4,310	120	30	4,160	5,200	88	12	5,100	5,078	83	0	4,996
NORTHBRIDGE	15,974	530	47	15,398	16,105	43	31	16,031	14,111	40	18	14,053
NORTON	14,639	899	32	13,708	14,696	244	21	14,431	13,962	238	8	13,716
NORWELL	4,108	679	126	3,303	3,814	560	160	3,094	3,872	436	195	3,241
PAXTON	551	34	15	501	583	38	10	536	627	38	5	584
PEMBROKE	9,718	125	196	9,397	12,081	90	257	11,734	7,325	86	310	6,928
PLYMOUTH	23,815	1,866	117	21,832	29,047	382	65	28,600	29,350	365	3	28,982
PLYMPTON	700	39	9	651	885	24	6	856	884	22	3	859
PRINCETON	754	9	11	734	851	8	7	836	920	8	3	909
RAYNHAM	1,769	209	37	1,523	1,763	178	24	1,561	1,703	173	10	1,520
REHOBOTH	930	259	25	646	1,104	239	14	851	1,148	230	2	917
ROCHESTER	2,086	50	16	2,019	2,102	48	11	2,043	2,130	45	6	2,079
ROCKLAND	11,555	645	208	10,702	13,296	525	260	12,512	13,383	451	313	12,619
ROCKPORT	3,020	448	0	2,573	3,142	200	0	2,942	3,145	190	0	2,954
ROWLEY	892	59	19	814	1,055	49	13	993	1,093	43	7	1,043
SALISBURY	643	150	28	465	756	62	18	676	784	54	9	722
SCITUATE	5,600	299	216	5,085	6,916	116	271	6,529	6,811	111	327	6,373
SEEKONK	5,199	256	27	4,917	6,282	237	11	6,034	6,330	231	5	6,094
SHERBORN	819	35	54	730	954	30	69	854	970	27	84	858
SHIRLEY	5,685	777	7	4,901	5,905	17	0	5,888	5,368	18	0	5,350
SHREWSBURY	16,746	392	42	16,312	12,680	184	0	12,496	11,649	177	0	11,472
SOUTHBOROUGH	3,952	73	29	3,850	3,882	57	19	3,806	3,766	53	5	3,708
STERLING	645	29	11	605	752	28	4	721	773	27	0	747
STOUGHTON	12,089	1,225	17	10,847	13,656	961	0	12,695	13,780	793	0	12,987
STOW	392	35	21	335	457	30	14	413	474	27	7	440
SUDBURY	8,340	20	198	8,122	8,529	11	247	8,270	8,431	11	296	8,123
SUTTON	6,643	132	8	6,504	6,946	38	0	6,908	6,903	37	0	6,865
TAUNTON	51,154	896	0	50,258	49,911	792	0	49,119	48,677	767	0	47,910
TEWKSBURY	15,188	399	0	14,789	16,154	254	0	15,900	16,294	247	0	16,047
TOWNSEND	1,142	18	22	1,102	1,326	13	11	1,302	1,393	12	2	1,379
TYNGSBOROUGH	7,723	82	29	7,611	8,452	14	17	8,422	8,459	13	4	8,442
UPTON	523	15	20	488	612	13	13	586	677	12	7	657
WAREHAM	14,283	769	18	13,496	15,524	622	2	14,900	15,623	601	0	15,022
WAYLAND	4,170	12	162	3,996	5,022	13	205	4,804	5,071	13	248	4,810
WEST BOYLSTON	4,426	114	0	4,312	4,310	28	0	4,282	4,281	50	0	4,231
WEST BRIDGEWATER	2,666	366	19	2,281	3,220	302	11	2,907	3,268	260	4	3,004
WEST NEWBURY	307	30	15	263	350	1	10	339	361	1	5	354
WESTBOROUGH	4,477	153	55	4,269	5,446	103	34	5,308	5,499	101	11	5,386
WESTFORD	14,537	178	60	14,298	16,274	72	36	16,167	16,071	65	12	15,994
WESTMINSTER	680	39	2	639	795	35	0	760	868	34	0	835
WHITMAN	2,151	63	41	2,047	2,442	52	27	2,363	2,504	48	11	2,444
WORCESTER	213,862	14,618	0	199,244	220,381	2,042	0	218,339	211,862	1,989	0	209,874
WRENTHAM	4977.804	287.688	37.254	4652.862	5,044	111	25	4,908	5,157	94	13	5,050

Municipality	FY2001				FY2000				FY1999			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
<u>FOURTEEN CITIES AND TOWNS</u>												
ARLINGTON	18,170	38	2,883	15,249	16,969	112	2,825	14,032	16,006	118	2,779	13,108
BELMONT	8,097	41	1,388	6,668	7,234	110	1,422	5,702	6,569	106	1,425	5,038
BOSTON	550,204	1,517	62,238	486,450	532,599	1,675	61,978	468,947	511,069	1,722	60,253	449,094
BROOKLINE	18,954	486	5,251	13,217	15,162	475	5,074	9,613	13,715	453	5,065	8,197
CAMBRIDGE	45,566	114	6,785	38,668	44,010	310	6,781	36,919	42,311	324	6,885	35,103
CHELSEA	58,138	262	1,484	56,392	55,371	282	1,470	53,619	52,001	288	1,425	50,288
EVERETT	31,659	840	2,119	28,700	23,855	793	2,137	20,925	20,727	793	2,053	17,882
MALDEN	46,526	39	3,314	43,174	42,949	116	3,375	39,458	35,808	120	3,230	32,458
MEDFORD	28,948	1,108	3,726	24,114	27,528	1,173	3,872	22,483	26,080	1,057	3,752	21,270
MILTON	8,384	864	1,461	6,059	7,594	825	1,448	5,321	6,784	751	1,411	4,622
NEWTON	23,290	72	4,989	18,229	19,030	334	4,955	13,741	16,024	345	4,734	10,944
REVERE	36,525	935	3,096	32,494	34,890	919	3,123	30,849	33,545	782	2,941	29,822
SOMERVILLE	62,275	67	4,813	57,395	59,927	141	4,860	54,926	56,604	150	4,732	51,722
WATERTOWN	13,153	646	2,140	10,366	12,405	688	2,094	9,622	11,855	639	2,046	9,170
<u>FIFTY-ONE CITIES AND TOWNS</u>												
BEDFORD	4,388	13	348	4,027	3,813	53	340	3,420	3,362	44	331	2,986
BEVERLY	16,319	159	934	15,226	15,088	63	951	14,073	12,532	147	931	11,454
BRAINTREE	13,371	1,205	1,011	11,156	12,391	1,134	1,043	10,214	11,374	999	1,051	9,325
BURLINGTON	7,890	13	735	7,141	7,171	72	736	6,363	6,503	72	769	5,662
CANTON	5,869	208	531	5,130	5,238	204	526	4,509	4,701	199	515	3,988
COHASSET	2,782	408	161	2,213	2,478	385	162	1,931	1,752	343	162	1,246
CONCORD	4,695	11	365	4,320	3,984	67	373	3,544	3,548	67	367	3,115
DANVERS	8,714	122	632	7,960	7,885	54	616	7,216	7,133	123	606	6,403
DEDHAM	8,114	695	742	6,677	7,446	652	744	6,051	6,892	607	733	5,552
DOVER	697	112	119	466	598	111	120	367	449	107	118	224
FRAMINGHAM	26,014	42	1,541	24,431	22,727	159	1,593	20,976	19,537	155	1,516	17,866
HAMILTON	820	23	179	619	771	4	181	586	704	27	175	501
HINGHAM	6,502	780	523	5,199	5,753	785	522	4,446	4,851	724	536	3,591
HOLBROOK	6,209	370	317	5,522	5,965	351	323	5,291	5,558	340	338	4,880
HULL	7,573	43	272	7,257	7,157	44	264	6,849	6,849	40	282	6,527
LEXINGTON	9,933	24	835	9,073	8,505	124	853	7,528	7,520	133	846	6,541
LINCOLN	2,842	5	205	2,632	2,648	27	209	2,412	2,441	27	208	2,207
LYNN	118,597	254	2,272	116,071	112,544	173	2,317	110,053	107,712	273	2,094	105,344
LYNNFIELD	3,686	456	291	2,940	3,166	433	291	2,441	2,826	445	282	2,100
MANCHESTER	326	30	131	166	973	4	134	836	826	36	127	664
MARBLEHEAD	4,465	93	570	3,802	3,768	18	571	3,178	3,241	100	543	2,598
MEDFIELD	5,357	127	258	4,972	4,744	125	258	4,361	3,932	119	254	3,559
MELROSE	13,309	23	883	12,403	12,367	78	902	11,388	11,569	85	903	10,582
MIDDLETON	1,936	20	126	1,790	1,771	3	125	1,643	1,295	24	120	1,151
NAHANT	965	16	156	793	866	6	157	704	771	17	145	610
NATICK	11,036	62	846	10,128	10,135	131	846	9,158	9,308	128	804	8,376
NEEDHAM	8,110	347	734	7,029	7,010	327	726	5,957	6,212	326	705	5,181
NORFOLK	4,547	79	226	4,241	4,246	78	235	3,933	3,719	77	226	3,417
NORWOOD	10,536	226	832	9,478	9,707	222	857	8,629	8,977	231	811	7,935
PEABODY	24,431	1,279	1,120	22,032	22,887	1,074	1,124	20,690	21,464	1,073	1,086	19,305
QUINCY	42,766	517	3,703	38,547	39,856	497	3,639	35,720	37,076	508	3,730	32,837
RANDOLPH	18,291	732	944	16,614	16,292	669	943	14,680	15,252	631	938	13,683
READING	11,824	20	621	11,183	10,805	57	638	10,111	9,969	62	635	9,273
SALEM	24,680	932	1,076	22,672	22,534	815	1,049	20,670	21,341	839	994	19,508
SAUGUS	9,155	767	884	7,504	8,357	664	908	6,786	7,575	637	825	6,113
SHARON	8,500	159	450	7,890	7,054	157	449	6,449	5,546	153	437	4,955
STONEHAM	8,084	347	545	7,192	7,468	365	549	6,554	6,834	346	543	5,946
SWAMPSCOTT	4,067	58	486	3,523	3,550	20	483	3,047	3,417	59	437	2,921
TOPSFIELD	1,527	20	145	1,363	1,357	3	143	1,211	1,225	24	141	1,060
WAKEFIELD	9,953	25	692	9,236	8,580	74	721	7,784	7,849	75	719	7,055
WALPOLE	8,940	199	569	8,171	8,223	194	581	7,447	7,482	188	550	6,744
WALTHAM	21,056	68	1,505	19,483	19,554	176	1,486	17,893	18,174	182	1,417	16,575
WELLESLEY	7,224	386	595	6,244	6,276	383	589	5,304	5,656	374	585	4,696
WENHAM	559	13	89	456	534	2	91	441	495	16	85	395
WESTON	3,725	11	226	3,488	2,709	63	234	2,412	2,417	58	226	2,133
WESTWOOD	3,915	175	347	3,393	3,134	181	352	2,601	2,896	162	338	2,395
WEYMOUTH	30,608	1,573	1,611	27,424	28,886	1,460	1,622	25,804	26,789	1,294	1,608	23,887
WILMINGTON	7,125	61	427	6,637	6,362	110	430	5,821	5,650	90	430	5,130
WINCHESTER	5,429	26	551	4,852	4,802	82	577	4,142	4,226	81	585	3,560
WINTHROP	10,585	340	533	9,713	10,002	321	544	9,138	9,518	291	536	8,691
WOBURN	13,587	779	985	11,823	12,393	806	980	10,607	11,422	755	1,001	9,665
<u>OTHER SERVED COMMUNITIES</u>												
ABINGTON	8,623	62	0	8,561	8,055	58	0	7,998	7,503	53	0	7,450
ACTON	4,213	30	0	4,183	3,643	74	0	3,569	3,101	73	0	3,028
AMESBURY	13,692	397	0	13,295	13,041	393	0	12,648	11,881	386	0	11,495
ANDOVER	10,671	1,120	0	9,552	9,474	950	0	8,524	8,508	929	0	7,579
ASHBURNHAM	802	17	0	785	767	17	0	750	694	16	0	677
ASHBY	497	1	0	495	455	5	0	451	413	5	0	407
ASHLAND	4,971	29	335	4,608	4,497	52	339	4,105	3,906	52	331	3,522
ATTLEBORO	32,943	546	0	32,397	31,242	535	0	30,707	29,375	518	0	28,857
AUBURN	6,167	98	0	6,069	5,613	87	0	5,526	5,094	79	0	5,015
AYER	5,368	34	0	5,334	5,056	42	0	5,014	4,827	41	0	4,786
BELLINGHAM	10,395	132	0	10,263	9,781	120	0	9,661	9,220	116	0	9,104
BERKLEY	6,033	74	0	5,959	4,828	69	0	4,760	4,545	67	0	4,478
BILLERICA	22,481	745	0	21,736	20,941	676	0	20,266	19,632	575	0	19,057
BOURNE	7,081	899	0	6,182	6,385	825	0	5,560	5,783	772	0	5,011
BOXBOROUGH	2,065	18	0	2,047	1,920	28	0	1,892	945	26	0	919
BOXFORD	2,742	26	0	2,717	2,415	3	0	2,412	1,878	31	0	1,847
BRIDGEWATER	5,023	212	0	4,810	4,679	200	0	4,480	4,289	169	0	4,120
BROCKTON	128,611	1,881	0	126,730	119,294	1,807	0	117,487	109,317	1,803	0	107,514
CARLISLE	1,815	3	0	1,812	1,485	18	0	1,467	1,346	18	0	1,329
CARVER	11,639	76	0	11,563	11,182	83	0	11,099	10,606	76	0</	

Municipality	FY2001				FY2000				FY1999			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
HANOVER	6,663	73	287	6,303	6,106	70	290	5,746	5,741	67	282	5,392
HANSON	1,503	42	0	1,461	1,384	40	0	1,344	1,522	38	0	1,484
HARVARD	4,291	105	0	4,186	3,960	84	0	3,876	3,657	88	0	3,570
HAVERHILL	49,409	476	0	48,933	47,100	392	0	46,708	43,776	483	0	43,293
HOLDEN	2,388	90	0	2,298	2,258	88	0	2,170	1,954	83	0	1,872
HOLLISTON	10,783	37	0	10,746	8,358	63	0	8,295	6,738	64	0	6,674
HOPKINTON	5,361	6	0	5,355	4,803	32	0	4,771	3,411	32	0	3,379
IPSWICH	6,948	116	0	6,832	4,493	78	0	4,415	4,052	102	0	3,950
KINGSTON	5,454	72	0	5,382	3,629	68	0	3,560	3,252	59	0	3,193
LAKEVILLE	3,364	65	0	3,298	3,172	63	0	3,109	3,062	58	0	3,004
LANCASTER	1,065	19	0	1,046	987	18	0	969	892	18	0	874
LAWRENCE	126,220	1,387	0	124,834	121,079	1,296	0	119,783	110,464	1,177	0	109,287
LEICESTER	10,859	72	0	10,786	10,443	68	0	10,374	9,415	60	0	9,355
LEOMINSTER	37,077	521	0	36,556	35,283	513	0	34,770	30,958	479	0	30,479
LITTLETON	2,614	42	0	2,572	2,021	62	0	1,959	1,760	51	0	1,709
LOWELL	141,966	709	0	141,257	135,484	802	0	134,682	130,287	811	0	129,476
LUNENBURG	4,529	69	0	4,460	4,182	69	0	4,113	3,839	68	0	3,771
MANSFIELD	13,115	304	0	12,811	12,211	298	0	11,913	10,521	290	0	10,231
MARLBOROUGH	14,433	114	0	14,319	13,339	175	0	13,164	10,735	166	0	10,569
MARSHFIELD	14,488	123	512	13,852	13,568	125	518	12,925	12,580	113	508	11,960
MAYNARD	4,805	13	0	4,792	4,424	30	0	4,394	4,203	28	0	4,175
MEDWAY	7,459	92	0	7,366	6,902	90	0	6,812	6,248	86	0	6,162
MERRIMAC	1,244	36	0	1,208	1,186	27	0	1,159	1,122	31	0	1,091
METHUEN	33,786	316	0	33,470	31,655	251	0	31,404	29,197	316	0	28,880
MIDDLEBOROUGH	18,116	128	0	17,988	16,372	125	0	16,246	16,162	111	0	16,052
MILLBURY	7,180	85	0	7,095	6,748	60	0	6,688	6,268	52	0	6,217
MILLIS	3,710	257	200	3,253	3,457	205	203	3,049	3,063	159	197	2,706
NEWBURY	1,496	96	0	1,400	1,444	78	0	1,365	1,386	87	0	1,299
NEWBURYPORT	7,076	156	0	6,921	6,574	108	0	6,466	6,163	169	0	5,994
NORTH ANDOVER	8,922	515	0	8,407	7,627	388	0	7,239	6,842	401	0	6,441
NORTH ATTLEBOROUGH	18,996	826	0	18,170	17,956	799	0	17,157	15,707	714	0	14,993
NORTH READING	5,998	7	306	5,685	5,331	34	310	4,988	4,912	34	303	4,576
NORTHBOROUGH	5,112	79	0	5,033	4,254	81	0	4,173	3,251	73	0	3,178
NORTHBURIDGE	14,502	18	0	14,484	13,328	17	0	13,311	12,066	18	0	12,048
NORTON	13,213	197	0	13,017	12,202	195	0	12,008	10,143	183	0	9,960
NORWELL	3,691	408	228	3,056	3,293	326	230	2,736	2,982	253	226	2,504
PAXTON	599	34	0	565	546	40	0	505	482	34	0	448
PEMBROKE	6,730	82	362	6,286	6,259	79	365	5,815	5,873	74	360	5,440
PLYMOUTH	28,455	355	0	28,100	25,040	360	0	24,680	23,445	295	0	23,150
PLYMPTON	828	20	0	808	761	19	0	742	744	18	0	725
PRINCETON	861	9	0	852	849	8	0	841	798	8	0	790
RAYNHAM	1,712	159	0	1,552	1,652	157	0	1,495	1,545	148	0	1,397
REHOBOTH	1,150	222	0	928	1,066	216	0	849	970	206	0	764
ROCHESTER	2,078	41	0	2,037	1,829	39	0	1,790	1,519	36	0	1,483
ROCKLAND	13,364	376	363	12,624	12,613	354	367	11,891	11,594	345	360	10,889
ROCKPORT	3,058	199	0	2,856	2,852	171	0	2,681	2,533	170	0	2,363
ROWLEY	1,079	53	0	1,026	1,033	38	0	994	980	14	0	966
SALISBURY	940	71	0	869	842	54	0	788	749	60	0	690
SCITUATE	6,636	103	381	6,151	5,856	100	386	5,369	5,285	94	381	4,810
SEEKONK	6,111	222	0	5,888	5,688	220	0	5,469	4,338	216	0	4,122
SHERBORN	952	28	99	826	590	44	100	446	509	41	99	370
SHIRLEY	4,845	21	0	4,824	4,625	27	0	4,597	4,286	23	0	4,263
SHREWSBURY	10,596	180	0	10,416	9,596	178	0	9,418	8,694	154	0	8,539
SOUTHBOROUGH	3,380	66	0	3,315	2,560	67	0	2,493	1,154	54	0	1,100
STERLING	809	33	0	775	749	33	0	716	678	31	0	647
STOUGHTON	13,173	749	0	12,424	12,157	713	0	11,444	11,290	663	0	10,627
STOW	482	25	0	457	447	38	0	409	403	38	0	365
SUDBURY	5,776	13	346	5,417	5,169	56	350	4,763	4,420	56	346	4,019
SUTTON	6,245	34	0	6,211	4,466	34	0	4,432	4,144	33	0	4,111
TAUNTON	47,634	742	0	46,892	45,231	733	0	44,498	40,283	702	0	39,580
TEWKSBURY	16,038	203	0	15,835	14,121	246	0	13,874	12,296	242	0	12,054
TOWNSEND	1,419	12	0	1,408	1,291	23	0	1,268	1,139	23	0	1,116
TYNGSBOROUGH	7,627	14	0	7,613	7,080	26	0	7,054	6,307	25	0	6,281
UPTON	643	12	0	631	595	12	0	583	541	12	0	529
WAREHAM	15,518	551	0	14,968	14,666	517	0	14,149	13,393	429	0	12,964
WAYLAND	4,778	10	290	4,477	4,188	47	294	3,847	3,667	50	289	3,327
WEST BOYLSTON	4,225	38	0	4,187	3,704	36	0	3,668	2,770	36	0	2,734
WEST BRIDGEWATER	3,182	229	0	2,953	2,945	210	0	2,735	2,737	191	0	2,546
WEST NEWBURY	378	11	0	367	354	1	0	353	324	14	0	311
WESTBOROUGH	5,236	101	0	5,135	4,571	89	0	4,481	3,983	84	0	3,899
WESTFORD	13,164	58	0	13,106	10,127	105	0	10,023	7,597	105	0	7,491
WESTMINSTER	832	34	0	798	790	33	0	757	700	29	0	671
WHITMAN	2,427	47	0	2,380	2,240	43	0	2,197	2,030	40	0	1,989
WORCESTER	200,086	1,834	0	198,252	189,197	1,786	0	187,411	172,805	1,821	0	170,983
WRENTHAM	5,123	96	0	5,027	4,776	95	0	4,682	4,205	84	0	4,120

Municipality	FY1998				FY1990				FY1985			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
FOURTEEN CITIES AND TOWNS												
ARLINGTON	14,356	666	2,246	11,444	14,366	84	2,370	11,912	11,791	2,247	2,273	7,271
BELMONT	9,856	477	1,117	8,263	5,166	132	1,241	3,794	3,962	1,555	1,134	1,274
BOSTON	471,570	19,574	40,841	411,156	462,970	2,413	47,570	412,987	354,242	7,544	42,103	304,595
BROOKLINE	12,435	1,650	3,833	6,953	11,389	383	4,083	6,923	10,627	3,013	3,883	3,730
CAMBRIDGE	38,271	1,951	5,301	31,020	41,233	230	5,551	35,452	35,358	3,759	5,270	26,328
CHELSEA	48,364	652	1,051	46,660	20,985	592	1,092	19,301	13,661	837	1,059	11,765
EVERETT	18,044	1,160	1,656	15,228	11,665	473	1,641	9,551	8,080	2,622	1,671	3,787
MALDEN	29,949	1,056	2,275	26,617	27,532	137	2,526	24,869	20,059	1,970	2,285	15,804
MEDFORD	25,092	1,937	2,833	20,322	24,473	1,005	2,929	20,539	16,301	2,870	2,851	10,581
MILTON	6,241	1,060	1,062	4,119	4,921	476	1,128	3,317	3,898	1,371	1,080	1,447
NEWTON	14,511	1,634	3,340	9,537	12,079	299	3,730	8,050	13,708	5,447	3,391	4,870
REVERE	29,845	1,585	2,067	26,193	20,991	686	2,440	17,865	17,525	1,445	2,090	13,990
SOMERVILLE	52,721	1,298	3,545	47,878	51,244	190	3,690	47,365	36,906	2,817	3,583	30,506
WATERTOWN	10,311	1,269	1,418	7,624	10,074	462	1,625	7,987	8,897	1,826	1,437	5,633
FIFTY-ONE CITIES AND TOWNS												
BEDFORD	3,053	152	215	2,686	2,463	44	276	2,144	2,383	525	222	1,636
BEVERLY	11,735	561	586	10,587	10,806	346	755	9,704	7,947	858	606	6,484
BRAINTREE	10,601	1,217	751	8,633	9,931	646	897	8,388	8,460	1,644	768	6,049
BURLINGTON	5,799	326	484	4,990	5,670	97	643	4,929	6,171	904	493	4,774
CANTON	4,259	415	265	3,579	3,881	150	414	3,317	4,085	896	285	2,903
COHAS												

Municipality	FY1998				FY1990				FY1985			
	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid	Total Local Aid	All Other Assessments	Assessment	Net Local Aid
HANOVER	5,130	176	157	4,797	4,371	27	213	4,130	3,589	217	164	3,209
HANSON	1,436	36	0	1,400	3,261	28	0	3,233	2,320	132	0	2,188
HARVARD	3,435	91	0	3,344	3,014	27	0	2,987	2,403	196	0	2,207
HAVERHILL	40,617	561	0	40,055	21,882	663	0	21,219	16,410	918	0	15,492
HOLDEN	1,789	92	0	1,697	3,168	60	0	3,108	2,294	385	0	1,909
HOLLISTON	6,148	58	0	6,090	4,071	31	0	4,039	3,664	241	0	3,423
HOPKINTON	3,182	34	0	3,149	1,584	16	0	1,568	1,519	110	0	1,409
IPSWICH	3,782	150	0	3,632	3,041	132	0	2,909	2,716	280	0	2,436
KINGSTON	2,881	65	0	2,816	1,461	25	0	1,437	1,064	128	0	935
LAKEVILLE	2,434	67	0	2,368	1,647	27	0	1,620	780	125	0	655
LANCASTER	816	18	0	797	1,961	12	0	1,949	1,466	147	0	1,320
LAWRENCE	100,507	1,251	0	99,256	52,902	960	0	51,941	31,464	1,200	0	30,264
LEICESTER	8,003	67	0	7,936	4,989	63	0	4,927	3,500	202	0	3,298
LEOMINSTER	27,397	460	0	26,938	14,670	308	0	14,362	9,932	791	0	9,141
LITTLETON	1,593	59	0	1,533	1,270	53	0	1,217	1,277	161	0	1,116
LOWELL	119,936	804	0	119,132	57,298	688	0	56,610	38,701	1,481	0	37,220
LUNENBURG	3,701	66	0	3,635	2,795	9	0	2,787	2,313	214	0	2,099
MANSFIELD	8,553	278	0	8,275	3,743	200	0	3,543	2,934	433	0	2,502
MARLBOROUGH	9,628	166	0	9,462	9,328	113	0	9,215	7,860	524	0	7,336
MARSHFIELD	10,584	356	236	9,992	6,744	57	421	6,266	5,321	408	246	4,668
MAYNARD	3,745	-107	142	3,709	3,520	19	0	3,501	2,456	174	0	2,282
MEDWAY	5,221	83	0	5,138	2,938	47	0	2,891	2,668	157	0	2,511
MERRIMAC	1,070	26	0	1,045	1,456	28	0	1,428	1,042	61	0	981
METHUEN	27,019	481	0	26,537	12,463	475	0	11,988	8,333	763	0	7,570
MIDDLEBOROUGH	15,207	107	0	15,100	8,187	40	0	8,148	5,095	262	0	4,833
MILLBURY	5,840	55	0	5,785	4,879	45	0	4,834	4,148	247	0	3,901
MILLIS	2,854	271	87	2,496	2,014	95	159	1,760	1,750	120	91	1,539
NEWBURY	1,340	106	0	1,235	769	60	0	709	717	140	0	577
NEWBURYPORT	5,840	182	0	5,658	5,607	220	0	5,387	3,961	335	0	3,626
NORTH ANDOVER	5,241	490	0	4,751	3,820	368	0	3,452	3,489	577	0	2,912
NORTH ATTLEBOROUGH	13,953	653	0	13,300	8,327	380	0	7,946	5,638	477	0	5,161
NORTH READING	4,348	125	198	4,025	3,196	44	251	2,901	3,025	230	207	2,588
NORTHBOROUGH	2,955	62	0	2,893	2,222	42	0	2,180	2,040	325	0	1,715
NORTHBRIDGE	11,208	19	0	11,189	6,517	15	0	6,502	4,166	225	0	3,941
NORTON	8,851	179	0	8,672	5,718	130	0	5,588	4,642	233	0	4,408
NORWELL	2,762	336	135	2,291	2,352	139	209	2,004	2,557	252	141	2,164
PAXTON	434	34	0	399	685	30	0	655	621	97	0	524
PEMBROKE	5,422	228	188	5,005	3,186	45	296	2,845	2,681	243	197	2,241
PLYMOUTH	21,231	274	0	20,957	4,555	161	0	4,394	4,989	931	0	4,059
PLYMPTON	710	17	0	693	416	8	0	408	276	41	0	234
PRINCETON	765	8	0	757	529	1	0	527	501	68	0	433
RAYNHAM	1,418	144	0	1,274	2,993	93	0	2,900	2,071	200	0	1,872
REHOBOTH	897	203	0	694	575	130	0	445	1,477	228	0	1,249
ROCHESTER	1,444	33	0	1,411	1,124	8	0	1,116	470	70	0	401
ROCKLAND	10,616	453	226	9,937	7,983	191	290	7,502	6,387	274	236	5,876
ROCKPORT	2,321	202	0	2,119	1,721	210	0	1,510	764	294	0	471
ROWLEY	938	31	0	906	1,249	36	0	1,213	640	96	0	544
SALISBURY	672	85	0	587	1,411	94	0	1,317	1,092	162	0	930
SCITUATE	4,944	211	242	4,492	4,154	56	332	3,766	4,450	399	253	3,799
SEEKONK	3,997	210	0	3,788	3,268	142	0	3,126	2,390	358	0	2,032
SHERBORN	460	99	55	307	409	25	92	292	547	152	57	338
SHIRLEY	3,865	22	0	3,844	2,465	8	0	2,458	2,130	69	0	2,061
SHREWSBURY	7,851	164	0	7,686	5,463	94	0	5,370	4,463	679	0	3,784
SOUTHBOROUGH	1,008	52	0	957	762	15	0	747	1,064	249	0	815
STERLING	621	30	0	591	1,088	15	0	1,073	1,050	138	0	911
STOUGHTON	10,285	686	0	9,599	8,707	341	0	8,366	6,264	664	0	5,600
STOW	369	37	0	332	738	14	0	724	798	124	0	673
SUDBURY	3,519	180	205	3,134	2,837	28	288	2,520	3,003	357	214	2,431
SUTTON	3,414	36	0	3,378	3,060	9	0	3,051	1,546	152	0	1,394
TAUNTON	36,346	699	0	35,647	25,635	715	0	24,920	17,312	776	0	16,536
TEWKSBURY	11,386	230	0	11,156	8,653	134	0	8,519	7,177	380	0	6,798
TOWNSEND	1,032	23	0	1,009	799	19	0	780	534	119	0	416
TYNGSBOROUGH	5,702	25	0	5,677	2,135	25	0	2,110	1,491	102	0	1,388
UPTON	500	13	0	487	492	2	0	490	426	91	0	336
WAREHAM	12,472	400	0	12,072	6,098	220	0	5,878	3,517	390	0	3,127
WAYLAND	3,366	113	209	3,043	2,600	26	284	2,290	2,930	346	220	2,364
WEST BOYLSTON	2,447	21	0	2,426	1,464	15	0	1,449	1,315	186	0	1,129
WEST BRIDGEWATER	2,578	182	0	2,396	2,019	96	0	1,923	1,725	154	0	1,571
WEST NEWBURY	502	30	0	472	731	32	0	699	507	65	0	441
WESTBOROUGH	2,925	77	0	2,848	2,091	32	0	2,059	2,594	468	0	2,125
WESTFORD	6,121	96	0	6,025	3,924	56	0	3,867	3,671	269	0	3,402
WESTMINSTER	640	27	0	613	479	9	0	470	759	142	0	617
WHITMAN	1,875	46	0	1,830	4,975	32	0	4,943	3,590	178	0	3,412
WORCESTER	162,771	1,653	0	161,118	101,080	1,270	0	99,810	76,577	3,166	0	73,411
WRENTHAM	3,983	81	0	3,902	1,951	41	0	1,910	1,355	112	0	1,243

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